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No. 02-633

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

MATTEL, INC.,

Petitioner,

v.

MCA RECORDS, INC., UNIVERSAL MUSIC INTERNATIONAL LTD., UNIVERSAL MUSIC A/S, MCA MUSIC SCANDINAVIA AB, AND UNIVERSAL MUSIC & VIDEO DISTRIBUTION, INC.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether the court of appeals erred in abandoning the traditional likelihood-of-confusion test for trademark infringement under the Lanham Act, 15 U.S.C. §§ 1114 and 1125, because the trademark was used as part of the title of an expressive work.

2. Whether the unauthorized, diluting use of a famous trademark to market a product is always a "noncommercial use," categorically exempt from liability under the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c), so long as that use "does [anything] more than propose a commercial transaction."

STATEMENT PURSUANT TO RULE 29.6

Petitioner Mattel, Inc., has no corporate parent, and no publicly traded company owns 10% or more of its stock.

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PETITION FOR A WRIT OF CERTIORARI

Mattel, Inc. ("Mattel") respectfully petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case.

OPINIONS BELOW

The opinion of the court of appeals (App. 1a-20a) is reported at 296 F.3d 894. The opinion of the district court granting summary judgment (App. 51a-132a) to respondents is reported at 28 F. Supp. 2d 1120. The district court's earlier opinion denying Mattel a preliminary injunction (App. 21a-50a) is reported at 46 U.S.P.Q.2d 1407.

JURISDICTION

The judgment of the court of appeals was entered on July 24, 2002. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The First Amendment to the United States Constitution and relevant portions of Sections 32 and 43 of the Lanham Act, 15 U.S.C. §§ 1114 and 1125, are reprinted in the Appendix at pages 133a-137a.

STATEMENT

1. Petitioner Mattel manufactures and licenses a wide range of consumer products. Its most famous and valuable trademark is the BARBIE brand, which Mattel spends well over $100 million each year to market and promote in the United States alone. The BARBIE product line has expanded from a single female fashion doll, first released in 1959, into a vast array of products sold under the BARBIE mark, including everything from purses to computer hardware. Although different BARBIE products are marketed to different groups of consumers of all ages, the primary target market for BARBIE products is three- to eleven-year-old girls. Pet. App. 104a.

Most pertinent here, and beginning as early as 1961, Mattel has cultivated a substantial market for BARBIE music and music-related products. For more than 15 years Mattel has regularly released such products, including BARBIE country music, music cassettes, musical instruments, juke boxes, and music-themed playsets and dolls. ER 95, 156-64, 176, 186, 191.[1/] These BARBIE music products almost always contain the trademark BARBIE in the title. ER 95-97. In 1990, for example, Mattel licensed a recording of dance music sung by "BARBIE," called "Barbie: The Look," which it sold under the

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[1/] "ER" refers to the Excerpts of Record filed in the court of appeals.

BARBIE mark and packaged in "BARBIE pink." ER 149-55. "Barbie: The Look" was advertised on the Nickelodeon cable television channel (the "Kid's Network") and featured in hundreds of publications. In addition, at the same time that respondents were conducting the marketing campaign at issue in this case, Mattel concluded an agreement with Sony Music's children's division to release a BARBIE CD and music video. ER 1757-65. The principal consumer base for Mattel's BARBIE music products has been girls aged five through the teens. ER 1239, 1281.

2. Respondents MCA Records, Inc. and affiliates (collectively, "MCA") are part of the largest music company in the world. In 1997, MCA began promoting a pop music recording called "Barbie Girl," by the Danish group "Aqua." MCA's marketing of the "Barbie Girl" recording intentionally and successfully targeted a core group of Mattel's BARBIE consumers. Specifically, MCA focused its promotional efforts on girls aged 9 to 14—a group that, the district court found (Pet. App. 105a), overlapped significantly with the principal target market for Mattel's BARBIE products, including musical products.[2/]

MCA achieved this success among Mattel's actual or potential customers by, among other things:

- marketing the "Barbie Girl" recording in packaging and on many CDs and CD-ROMs that featured the title "Barbie Girl" in bright pink lettering—similar to Mattel's "BARBIE pink" (ER 1499-1506);
- advertising the "Barbie Girl" recording during children's television programming on Saturday morning and in the after-school hours of 3:00 p.m. to 6:00 p.m. (ER 1820, 1830-31);

[2/] A substantial portion of the actual purchasers of MCA's recording were even younger than 9-14, and therefore closer to Mattel's own consumer base. As MCA's market research revealed, 40 percent of those who purchased the "Barbie Girl" recording were under 13. *Id.* at 104a. Two-thirds of the purchasers were female. ER 1165, 1170.

- creating a promotional music video that began with the "Barbie Girl" title in the color pink and that used pink scenery and props similar to well-known BARBIE products such as the BARBIE DREAM HOUSE—another Mattel trademark (ER 1513-20); and
- referring to Mattel's BARBIE DREAM HOUSE in press releases about the "Barbie Girl" recording (ER 1693-94).

Lest there be any doubt about the self-consciousness of these marketing efforts, MCA also attempted to sell "Barbie Girl" recordings through Toys 'R' Us, a primary retail outlet for Mattel's BARBIE products (ER 1175-79), considered advertising its "Barbie Girl" products on Nickelodeon (the "Kids' Network") (ER 1828), and produced a run of pink, heart-shaped purses labeled "Barbie Girl"—a promotional item that MCA abandoned only after Mattel filed suit (ER 1199-1203).

MCA's marketing efforts paid off handsomely: In the United States alone, MCA sold more than 1.4 million copies of recordings of or including the "Barbie Girl" song. Pet. App. 21a. That same marketing, however, also caused considerable confusion as to whether *Mattel* had released the "Barbie Girl" recording as a BARBIE brand product. Mattel received e-mails from young girls who believed that "BARBIE" had written or performed the song, and asked for copies of it. ER 1620-50. Mattel employees were asked if Mattel had released the recording. ER 1286-88. A survey conducted by Mattel confirmed that there was substantial actual confusion among consumers. ER 904. Indeed, many survey participants who thought that the "Barbie Girl" recording was about the BARBIE doll believed that the song was an advertisement for the doll. ER 862-903. Sophisticated third parties also recognized the high likelihood of consumer confusion: NBC refused to air one of MCA's television advertisements for the Aqua album unless the advertisement was modified to include a readily apparent and readable disclaimer on it. ER 1737, 1740.

3. Mattel sued MCA to remedy the effects of MCA's confusing marketing campaign using Mattel's trademark and targeting Mattel's consumers. Its complaint alleged, among other things, trademark infringement under Sections 32(1) and 43(a) of the Lanham Act, 15 U.S.C. §§ 1114(1) and 1125(a), and trademark dilution under the Federal Trademark Dilution Act ("FTDA"), 15 U.S.C. § 1125(c).

The district court refused Mattel's request for a preliminary injunction (Pet. App. 21a-50a), and later granted summary judgment in favor of MCA on Mattel's infringement and dilution claims. The court concluded principally that MCA's activities did not amount to infringement because MCA had made only "nominative fair use" of the BARBIE trademark. *Id.* at 84a-89a. Alternatively, the court considered Mattel's infringement claim under the traditional likelihood-of-confusion analysis, and concluded that MCA was entitled to judgment "as a matter of law." *Id.* at 91a, 90a-108a. The district court also rejected Mattel's dilution claim, holding that MCA's use of the BARBIE trademark was "for purposes of parody," and was therefore protected by the statutory exemption for "noncommercial use" of a mark. *Id.* at 111a-116a.

4. The court of appeals affirmed. *Id.* at 1a-20a. With respect to infringement, the court did not address Mattel's central submission that it had adduced sufficient evidence of likely consumer confusion resulting from MCA's marketing use of the BARBIE trademark to raise genuine issues of fact that should be resolved by a jury. *See id.* at 4a-8a. Rather, concluding that the standard likelihood-of-confusion analysis "fails to account for the full weight of the public's interest in free expression," *id.* at 4a-5a, the court adopted a new approach that, it said, rendered the traditional inquiry irrelevant.

Purporting to adopt a test articulated by the Second Circuit in *Rogers* v. *Grimaldi*, 875 F.2d 994 (2d Cir. 1989), the court held that, as a categorical matter, "literary titles do not violate the Lanham Act 'unless the title has no artistic relevance to the

underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work.'" Pet. App. 8a (quoting *Rogers*, 875 F.2d at 999). The court found MCA's marketing activities immune from Lanham Act liability because the title "Barbie Girl" was relevant to the content of Aqua's song, and because the title itself did not, in the court's view, "explicitly mislead as to the source of the work." *Id.* The court's analysis gave no weight at all to how the "Barbie Girl" recording and related products were marketed to or perceived by the consuming public.

The court of appeals also concluded that MCA's use of the BARBIE mark was exempt from liability under the FTDA. *Id.* at 8a-16a. The court recognized that all the basic statutory predicates for liability were satisfied, because MCA had made "commercial use in commerce" of Mattel's famous mark, in a way that diluted the distinctive quality of the mark. *Id.* at 10a-11a. The court nonetheless concluded that MCA's conduct was shielded as a "noncommercial use" of the mark. *Id.* at 11a-16a. Reasoning that Congress, in enacting the noncommercial use exception, intended to incorporate the First Amendment concept of "commercial speech," the court concluded that any use of a trademark should fall within the exception so long as it is not "'purely commercial' [speech]—that is, if it does more than promote a commercial transaction." *Id.* at 14a-15a. In the court's view, use of the BARBIE trademark in the title "Barbie Girl" was not "purely commercial speech," and all of MCA's marketing activities—admittedly, "us[ing] Barbie's name to sell copies of the song"—were shielded from dilution liability by the "noncommercial use" exemption. *Id.* at 15a-16a.

REASONS FOR GRANTING THE PETITION

I. The Ninth Circuit's Decision Ignores The Language Of The Lanham Act, Unjustifiably Exempts An Entire Category Of Potentially Infringing Conduct From Liability, And Conflicts With Decisions Of Other Courts Of Appeals.

Until the decision below, all courts of appeals analyzed trademark infringement claims using the traditional likelihood-of-confusion test derived directly from basic trademark principles and the language of the Lanham Act. In this case, however, the Ninth Circuit pushed that test aside and held that where a trademark is used in the title of an expressive work, all related uses of the mark—including usage in marketing the work—are effectively immune from liability for infringement. That holding is inconsistent with the text of the Lanham Act, and conflicts with the decisions of other courts of appeals.

1. Sections 32(1)(a) and 43(a)(1) of the Lanham Act prohibit any person from using another party's trademark in connection with the sale of goods or services if that use is "likely to cause confusion" regarding the source or sponsorship of, or connection, affiliation, or association with, the goods or services. 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). For decades, courts in each circuit have analyzed Lanham Act infringement cases using some version of a multi-factor "likelihood of confusion" test. In the Ninth Circuit, for example, courts consider eight non-exclusive factors, including (1) the strength of the plaintiff's mark; (2) the proximity or relatedness of the parties' goods; (3) the similarity of the marks; (4) evidence of actual confusion; (5) the marketing channels used; (6) the type of goods and degree of care likely to be used by the purchaser; (7) the defendant's intent in selecting the mark; and (8) the likelihood of expansion of the relevant product lines. *See* Pet. App. 90a-91a; *AMF, Inc.* v. *Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). Other circuits use substantially similar versions of the likelihood-of-confusion test. *See, e.g., Elvis Presley En-*

ters., Inc. v. *Capece*, 141 F.3d 188, 194-96 (5th Cir. 1998); *Polaroid Corp.* v. *Polaroid Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

In this case, the district court granted summary judgment for MCA on the basis (in part) of its analysis of the *Sleekcraft* factors, and Mattel argued on appeal that that decision should be reversed because its evidence was sufficient to require submission of the case to a jury. The Ninth Circuit, however, simply jettisoned the traditional likelihood-of-confusion test in analyzing MCA's marketing of sound recordings of or including "Barbie Girl." The court acknowledged that MCA had used Mattel's BARBIE mark. But it held that because the *lyrics* of the song "Barbie Girl" were parodic speech protected by the First Amendment, and because the *title* featuring Mattel's mark was relevant to the song's expressive message and did not (in the court's view) "explicitly mislead" consumers as to the source of the song, Mattel had no trademark infringement claim of any sort—regardless of the manner in which MCA had used Mattel's trademark in *marketing* its "Barbie Girl" products. The court, in other words, created a legal standard focused so narrowly on the song and its title, taken in isolation, that it missed the real issue—MCA's calculated, commercial use of the BARBIE mark in promoting its sale of recordings of or including the song.

The court below never considered, for example, whether MCA's marketing of "Barbie Girl" recordings in packaging that featured that title in bright pink lettering, similar to Mattel's distinctive "BARBIE pink," or its use of Mattel's trademark BARBIE DREAM HOUSE in press releases promoting "Barbie Girl," or its targeted promotion of "Barbie Girl" to *Mattel's core consumers* on Saturday-morning television shows, created a likelihood that purchasers of MCA's recordings—many of whom were pre-teen girls—would be confused about whether those recordings were associated with Mattel's extensive line of BARBIE products or otherwise sponsored by Mattel. The Ninth Circuit simply ignored *those* uses of the BARBIE mark,

once it had concluded that MCA's use of the mark in the lyrics and title of the song, viewed in isolation, were protected First Amendment speech.

That approach to the analysis of a trademark claim departs dramatically from Congress's statutory directive that challenged uses of trademarks be evaluated to determine whether they are "likely to cause confusion." 15 U.S.C. §§ 1114(1)(a), 1125(a)(1). Not surprisingly, therefore, before the decision below, no court of appeals had held that marketing efforts were immune from liability simply because they sought to promote an expressive work, regardless of whether they were also likely to cause consumer confusion.

The court below purported to adopt its analysis from *Rogers* v. *Grimaldi*, 875 F.2d 994 (2d Cir. 1989). In *Rogers*, the Second Circuit considered whether a film title, "Ginger and Fred," by itself violated the Lanham Act by falsely indicating an association with actress Ginger Rogers. The court held that title did not violate the Act because it was relevant to the artistic content of the film and did not, in the court's view, explicitly mislead consumers as to the source or content of the film. *See id.* at 999-1001. The Ninth Circuit held that the title "Barbie Girl" satisfied those same criteria, and on that basis held that MCA's uses of the BARBIE mark in the title and in related marketing efforts were categorically immune from Lanham Act liability. Pet. App. 8a.

Rogers itself suggested, however, that its test would not apply to certain confusing uses of trademarks in titles. *See* 875 F.2d at 999 n.5. And since *Rogers*, the Second Circuit has made clear that the determination whether use of a trademark in a title is misleading "must be made, *in the first instance*, by application of the venerable *Polaroid* [likelihood-of-confusion] factors"—not by a simple judicial reading of a defendant's work. *Twin Peaks Prods., Inc.* v. *Publications Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) (emphasis added); *see also Cliffs Notes, Inc.* v. *Bantam Doubleday Dell Publ'g Group,*

Inc., 886 F.2d 490, 495-97 (2d Cir. 1989) (applying likelihood-of-confusion test to parody of Cliffs Notes called Spy Notes). In *Twin Peaks*, the court noted that whereas the question in *Rogers* was a narrow one—whether the words of a title, in and of themselves, violated the rights of a celebrity—the question in other cases will be whether "the wording and appearance of the title" (for example, in the presentation and marketing of the work) amounts to trademark infringement. *Twin Peaks*, 996 F.2d at 1379. In such a case, when a title is "*displayed in a manner that conjures up a visual image prominently associated with the work bearing the mark that was copied*," the title, though it "otherwise [might] be permissible under *Rogers*," must be scrutinized under the likelihood-of-confusion test. *Id.* at 1380 (emphasis added). In its purported application of *Rogers*, the Ninth Circuit ignored these later Second Circuit decisions, which support precisely the sort of claim that Mattel made in this case: that it was the *manner* in which MCA used the title "Barbie Girl" in *marketing* its sound recording products—not the lyrics or title of the song in isolation—that infringed Mattel's trademark under the Lanham Act.

The Ninth Circuit's abandonment of the likelihood-of-confusion analysis in this case was not warranted by First Amendment concerns. Indeed, as the court recognized elsewhere in its opinion (Pet. App. 12a), the likelihood-of-confusion standard is fully compatible with the First Amendment, because the Constitution does not prevent the government from regulating misleading or confusing commercial speech. *See, e.g., Central Hudson Gas & Elec. Corp.* v. *Public Serv. Comm'n*, 447 U.S. 557, 566 (1980). Parodic speech is sheltered under the likelihood-of confusion standard because parody, though it necessarily must evoke an original work, also depends on evident *differences* from the original to produce the desired humorous or critical effect. *See Anheuser-Busch, Inc.* v. *L & L Wings, Inc.*, 962 F.2d 316, 321 (4th Cir. 1992) ("[E]ffective parody . . . diminishes any risk of consumer confusion."). Some courts have sought to ensure full protection of First Amendment

values in trademark cases by demanding a "particularly compelling" showing of likely confusion where expressive speech is involved. *See, e.g.*, *Sugar Busters LLC* v. *Brennan*, 177 F.3d 258, 269 n.7 (5th Cir. 1999); *Twin Peaks*, 996 F.2d at 1379. But no other court has discarded the likelihood-of-confusion test altogether.

In short, the Ninth Circuit's decision unnecessarily casts aside Congress's statutory command in the Lanham Act to protect consumers against the unauthorized use of trademarks in ways that are "likely to cause confusion," and leaves both consumers and trademark owners categorically unprotected against the confusing marketing of expressive products. That fundamental error in the application of an important federal statute warrants review and correction by this Court.

2. Not surprisingly, the court of appeals' abandonment of the likelihood-of-confusion analysis conflicts with the decisions of other courts. As discussed above, for example, the Second Circuit held in *Twin Peaks* that the *Rogers* test for analyzing allegedly infringing titles—the precise test that the Ninth Circuit applied below—is *not*, by itself, adequate where the *display* of a title "conjures up a visual image prominently associated with the work bearing the mark that was copied." 996 F.2d at 1380. The court concluded that although the use of the mark "Twin Peaks" in a book title might, by itself, be permissible for a book about the television show of the same name, the defendant's particular *presentation* of the title on the cover of the book, in a manner intended to evoke an element of the show, required a remand to the district court for application of the likelihood-of-confusion factors. *Id.* That result cannot be reconciled with the decision below, which rejected liability as a matter of law, without applying the likelihood-of-confusion standard to MCA's marketing of its "Barbie Girl" products—even though Mattel introduced substantial evidence to support its contention that MCA had intentionally traded on Mattel's BARBIE trademark in marketing its products to Mattel's consumer base.

The decision below also conflicts with the Fifth Circuit's decision in *Westchester Media* v. *PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000). In that case, the defendant produced a magazine entitled "POLO," featuring articles about, among other things, the game of polo. *Id.* at 661-63. Although the magazine's title passed the narrow *Rogers* test (because it was relevant to the magazine's content and not explicitly misleading, *cf. id.* at 665 n.3), the Fifth Circuit followed the Second Circuit's approach in *Twin Peaks* and assessed the case under the likelihood-of-confusion standard. Indeed, applying that standard, the court held that the defendant *had* infringed the "Polo" trademarks of the Ralph Lauren clothing line, in part because the defendant's marketing of the magazine had "target[ed] the same consumers and on occasion use[d] the same retail outlets." *Id.* at 667-68.

The decision below similarly conflicts with decisions of the Fourth, Seventh, Eighth, and Tenth Circuits, each of which has held that even where an infringement claim involves an expressive work, the particular manner in which the defendant *markets or presents* that work requires analysis under the statutory likelihood-of-confusion test. *See Anheuser-Busch, Inc.* v. *Balducci Publ'ns*, 28 F.3d 769, 773-77 (8th Cir. 1994) (presentation of parody using plaintiff's trademarks on the back cover of defendant's magazine created unnecessary confusion and failed likelihood-of-confusion test); *Nike, Inc.* v. *"Just Did It" Enters.*, 6 F.3d 1225, 1227-33 (7th Cir. 1993) (analyzing allegedly infringing parodic products under likelihood-of-confusion test and expressly noting that "how the parties market the product is . . . relevant"); *L & L Wings*, 962 F.2d at 320-22 (permitting jury to apply likelihood-of-confusion factors to parodic product); *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 402 (8th Cir. 1987) (applying likelihood-of-confusion test to parodic work and sustaining injunction insofar as defendant used marks "'to market, advertise, or identify [his] services or products.'" (alteration in original)).

In short, the decision below not only departs from the statutory likelihood-of-confusion standard and threatens harm to both trademark owners and consumers, but also conflicts with the legal standards applied by other circuits. Both the error and the conflict warrant review.

II. The Ninth Circuit's Limitation Of Liability Under The Federal Trademark Dilution Act To Unauthorized Uses That Do No More Than Propose A Commercial Transaction Cannot Be Squared With Congressional Intent Or The Decisions Of Other Circuits.

The Federal Trademark Dilution Act prohibits commercial use of a famous mark that causes "dilution of the distinctive quality of the mark." 15 U.S.C. § 1125(c)(1). "Dilution" means "the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." *Id.* § 1127. Unlike the law of trademark infringement, which is fundamentally concerned with protecting consumers from confusion, the FTDA, like dilution law generally, protects trademark owners against misappropriation of the brand equity accumulated in the trademark. *See* H.R. Rep. No. 104-374, at 3 (1995) (dilution protects "the substantial investment the owner has made"). The Act exempts from liability three specific uses: (1) "news reporting and news commentary," (2) "[f]air use . . . in comparative commercial advertising . . . to identify the competing goods" of the trademark owner, and (3) "[n]oncommercial use of a mark." 15 U.S.C. § 1125(c)(4).

In construing the FTDA in this case, the court of appeals invented a test for what constitutes a "noncommercial use" that cannot fairly represent Congress's intent and cannot be reconciled with the dilution decisions of other courts of appeals. That error independently warrants this Court's review.

1. The court of appeals correctly recognized that when MCA "created and sold to consumers in the marketplace commercial products (the Barbie Girl single and the Aquarium album) that bear the Barbie mark," it satisfied the threshold requirements for liability under the FTDA: commercial, dilutive use of a famous mark. Pet. App. 10a. The court held, however, that MCA's conduct was categorically exempt from liability under the Act's "noncommercial use" exemption. *Id.* 14a-16a. As the court construed that exemption, any use of the BARBIE mark by MCA was protected so long as it was not "'purely commercial'—that is, if it d[id] more than propose a commercial transaction." *Id.* at 15a (citation omitted).

That construction of the FTDA is incorrect. As the court recognized (*see* Pet. App. 13a-15a), Congress did not intend the Act to "prohibit or threaten 'noncommercial' expression, as that term has been defined by the courts." H.R. Rep. No. 104-374, at 4. Nor, however, did it intend, in adopting the "noncommercial use" exemption, "to alter existing case law on the subject of what constitutes 'commercial' speech." *Id.* Yet the Ninth Circuit, in construing the exemption, adopted a definition that recognizes as "commercial," and therefore subject to potential liability under the Act, only the very narrowest category of trademark uses that could possibly be defined as "commercial speech." That is simply not consistent with the "existing case law" to which the House Report refers—which, as the court of appeals itself admitted, has never "clearly delineated" the boundary between "commercial" and "noncommercial" speech. Pet. App. 15a. *See, e.g.*, *City of Cincinnati* v. *Discovery Network, Inc.*, 507 U.S. 410, 422 (1993) (discussing various possible definitions of "commercial speech"). In particular, there is no question that admixtures of "pure" and "commercial" speech need *not* be characterized as wholly "noncommercial," as the court of appeals has construed the FTDA to do. *See Board of Trustees* v. *Fox*, 492 U.S. 469, 475 (1989); *see also id.* at 474 ("[R]espondents contend that here pure speech and commercial speech are 'inextricably intertwined,' and that the entirety must

therefore be classified as noncommercial. We disagree."); *Anderson* v. *Treadwell*, 294 F.3d 453, 460 (2d Cir. 2002).

Moreover, there is no reason to believe that Congress intended the exceptionally broad construction of the "noncommercial use" exemption—and thus the exceptionally narrow scope for application of the FTDA—that the Ninth Circuit has now adopted. The court of appeals' analysis renders the "noncommercial use" exemption essentially all-encompassing as applied to unauthorized use of trademarks in connection with expressive works. Such use, either as part of the works themselves or in marketing them, will almost always do more than just "propose a commercial transaction." Congress, however, intended the exemption to protect "forms of expression that are *not a part of* a commercial transaction." 141 Cong. Rec. 38,559 (1995) (statement of Senator Hatch) (emphasis added). And when it decided, as discussed below, to grant federal protection for "all forms of dilution [previously] recognized by the courts" under state law, H.R. Rep. No. 104-374, at 8, it could not have contemplated that through the "noncommercial use" exemption it was simultaneously writing out of the Act an entire class of potential cases clearly recognized by existing dilution law.

The FTDA was meant to enhance the federal protection afforded to trademark owners. Substantively, the Act expanded federal law to protect trademark owners' investments in their marks. *See id.* at 3 ("[D]ilution recognizes the substantial investment the owner has made in the mark and the commercial value and aura of the mark itself, protecting both from those who would appropriate the mark for their own gain."). Geographically, the Act extended to famous marks uniform, national protection against dilution. *See id.* Of course, Congress intended to proceed only with due regard for the First Amendment interests implicated by truly noncommercial uses of otherwise protected marks. But the Ninth Circuit's holding that the *only* dilutive use prohibited by the Act is one that "does [no] more than propose a commercial transaction" (Pet. App. 15a) is

simply not a plausible implementation of what was meant to be significant federal protection for trademark owners.

2. Although the FTDA is a relatively new statute, in framing it Congress intended to grant protection against "all forms of dilution [previously] recognized by the courts" under state law. H.R. Rep. No. 104-374, at 8. Accordingly, courts construing the FTDA routinely look to pre-FTDA decisions, particularly those of federal appellate courts.[3/] The Ninth Circuit's novel construction of the "noncommercial use" exemption is inconsistent with the analysis employed in at least two such decisions considering claims under state anti-dilution statutes.

In *L.L. Bean, Inc.* v. *Drake Publishers, Inc.*, 811 F.2d 26, 32 (1st Cir. 1987), defendant Drake included a two-page parody in a 100-page magazine. The item was not referenced on the front or back cover of the magazine, but it was listed in the table of contents, "labeled as 'humor' and 'parody.'" *Id.* The First Circuit emphasized that "dilution injury stems from an unauthorized effort to *market* incompatible products or services by *trading* on another's trademark." *Id.* at 31 (emphasis added). The court refused to impose liability because "Drake did not use Bean's mark to identify or promote goods or services to consumers; it never intended to market the 'products' displayed in the parody." *Id.* at 32. The clear import of the court's analysis, however, is that use of the plaintiff's mark *would* have inflicted cognizable injury if it had been clearly linked to the

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[3/] *See, e.g.*, *Federal Express Corp.* v. *Federal Espresso, Inc.*, 201 F.3d 168, 175 (2d Cir. 2000) (relying on *Hormel Foods Corp.* v. *Jim Henson Prods., Inc.*, 73 F.3d 497 (2d Cir. 1996), and *Sports Authority, Inc.* v. *Prime Hospitality Corp.*, 89 F.3d 955 (2d Cir. 1996), both decided under state law); *see also* Sandra Edelman & Bruce R. Ewing, *The Federal Trademark Dilution Act of 1995: A Litigation Perspective*, 86 Trademark Rep. 485, 494 (July-Aug. 1996) ("By referring to 'all forms of dilution recognized by the courts,' the House Report confirms that a party may rely on reported precedents interpreting state statutes . . . ."); Siegrun D. Kane, *Trademark Law* § 8:1 (3d ed. 2000) ("[C]ourts interpreting the federal statutes will look to cases decided under the state statutes . . . .").

marketing of the defendant's product—precisely Mattel's complaint in this case, and precisely the sort of unauthorized use that is categorically protected by the decision below, so long as it is combined with any sort of "noncommercial" content. *See id.* ("We think the Constitution tolerates an incidental impact on rights of expression of commercial actors in order to prevent a defendant from unauthorizedly merchandising his products with another's trademark.").

In *Anheuser Busch, Inc.* v. *Balducci Publications*, 28 F.3d 769 (8th Cir. 1994), defendant Balducci had also created an ad parody that made unauthorized use of the plaintiff's marks. In this instance, however, the challenged ad was placed on the back cover of the defendant's humor magazine. *See id.* at 772. Reversing the district court, the Eighth Circuit rejected Balducci's claim that its use of the marks was shielded by the First Amendment, because it determined that use of the fake advertisement to gain attention *for the defendant's own product* exceeded permissible bounds. *Id.* at 778. The court expressly contrasted use of the marks on the back cover of the magazine, a location "frequently used for advertisements" that "[could not] be expected to command the thoughtful deliberation of all or even most of the viewing public," *id.* at 775, with the use at issue in *L.L. Bean*, where "neither the [parody] nor the [plaintiff's] trademark was featured on the front or back cover of the magazine," *id.* at 778 (first alteration in original) (internal quotation marks omitted). Yet there is no question that the parodic ad at issue in *Anheuser Busch* did "more than propose a commercial transaction" (Pet. App. 15a), and would therefore have been completely protected under the Ninth Circuit's construction of the FTDA.

L.L. Bean and *Balducci* stand for the proposition that use of expressive works containing another's trademarks to market the user's own products exceeds the scope of permissible unau-

thorized, dilutive use.[4] That proposition is consistent with decisions in the infringement context. *See Harley-Davidson, Inc.* v. *Grottanelli*, 164 F.3d 806, 813 (2d Cir. 1999) ("Grotanelli's [use of Harley-Davidson's] mark . . . simply uses [the mark] somewhat humorously to promote his own products and services, which is not a permitted trademark parody use."); *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 402 (8th Cir. 1987) (injunction on use of trademark parody consistent with the First Amendment where it applies only to "use[of] Mutual's marks as logos or to market, advertise, or identify [Novak's] services or products." (internal quotation omitted)). It is, however, plainly inconsistent with the Ninth Circuit's holding that "MCA['s] use[of] Barbie's name to sell copies of" its sound-recording products "falls within the noncommercial use exemption to the FTDA." Pet. App. 15a-16a.[5]

3. Ensuring consistent, nationwide protection for famous trademarks was the single most important policy justification underlying the passage of the FTDA:

> [F]amous marks ordinarily are used on a nationwide basis and dilution protection is currently only available . . . [in] approximately 25 states . . . . Further, court

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[4] *See also Chemical Corp. of America* v. *Anheuser-Busch, Inc.*, 306 F.2d 433, 438 (5th Cir. 1962) (upholding application of Florida anti-dilution law to use of slogan "Where there's life . . . there's bugs," parodying Anheuser-Busch's slogan "Where there's life . . . there's Bud," in advertising an insecticidal floor wax: "[T]his is a brazen and cheap effort by the defendant below to capitalize on the good will created by the tremendous expenditure in advertising by the plaintiff.").

[5] At least one case has also recognized, under the FTDA but not in the context of an expressive use, that marketing and promotional uses of a trademark are commercial or "trademark" uses—that is, uses "for the designation of a sponsor or identification of a product." *Nabisco, Inc.* v. *PF Brands, Inc.*, 191 F.3d 208, 223 (2d Cir. 1999) ("Nickelodeon has chosen to publicize its show by causing dissemination of its trademarks on crackers, while Nabisco seeks to boost its sales of crackers by associating them with Nickelodeon's popular trademark characters. . . . [This use] is a trademark use.").

> decisions have been inconsistent and some courts are reluctant to grant nationwide injunctions for violation of state law where half of the states have no dilution law. Protection for famous marks should not depend on whether the forum where suit is filed has a dilution statute. This simply encourages forum-shopping and increases the amount of litigation.

H.R. Rep. No. 104-374, at 3-4. The court of appeals' decision in this case departs both from sensible principles of statutory construction and from the persuasive reasoning other courts have used in determining where protected expression ends and commercial dilution begins. That departure jeopardizes both the protection and the legal consistency promised by the FTDA. Particularly because the Ninth Circuit's rulings are of considerable importance in intellectual property litigation, this Court should review the court of appeals' erroneous construction of the scope of federal anti-dilution protection.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

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APPENDICES

APPENDIX A

United States Court of Appeals,
Ninth Circuit

MATTEL, INC., a Delaware corporation,
Plaintiff-counter-defendant-Appellant,
v.
MCA RECORDS, INC., a California corporation,
Defendant-counter-claimant-Appellee,

* * * *

No. 98-56577

Argued and Submitted Dec. 5, 2000
[296 F.3d 894]
Filed July 24, 2002

Appeal from the United States District Court for the Central District of California William Matthew Byrne, Jr., Senior District Judge, Presiding. D.C. No. CV-97-06791-WMB-Mcx.

Before D.W. NELSON, BRUNETTI and KOZINSKI, Circuit Judges.

OPINION

KOZINSKI, Circuit Judge:

If this were a sci-fi melodrama, it might be called Speech-Zilla meets Trademark Kong.

I

Barbie was born in Germany in the 1950s as an adult collector's item. Over the years, Mattel transformed her from a doll that resembled a "German street walker," as she originally appeared, into a glamorous, long-legged blonde. Barbie has been labeled both the ideal American woman and a bimbo. She has survived attacks both psychic (from feminists critical of her

fictitious figure) and physical (more than 500 professional makeovers). She remains a symbol of American girlhood, a public figure who graces the aisles of toy stores throughout the country and beyond. With Barbie, Mattel created not just a toy but a cultural icon.

***899** With fame often comes unwanted attention. Aqua is a Danish band that has, as yet, only dreamed of attaining Barbie-like status. In 1997, Aqua produced the song Barbie Girl on the album Aquarium. In the song, one bandmember impersonates Barbie, singing in a high-pitched, doll-like voice; another bandmember, calling himself Ken, entices Barbie to "go party." (The lyrics are in the Appendix.) Barbie Girl singles sold well and, to Mattel's dismay, the song made it onto Top 40 music charts.

Mattel brought this lawsuit against the music companies who produced, marketed and sold Barbie Girl: MCA Records, Inc., Universal Music International Ltd., Universal Music A/S, Universal Music & Video Distribution, Inc. and MCA Music Scandinavia AB (collectively, "MCA"). MCA in turn challenged the district court's jurisdiction under the Lanham Act and its personal jurisdiction over the foreign defendants, Universal Music International Ltd., Universal Music A/S and MCA Music Scandinavia AB (hereinafter "foreign defendants"); MCA also brought a defamation claim against Mattel for statements Mattel made about MCA while this lawsuit was pending. The district court concluded it had jurisdiction over the foreign defendants and under the Lanham Act, and granted MCA's motion for summary judgment on Mattel's federal and state-law claims for trademark infringement and dilution. The district court also granted Mattel's motion for summary judgment on MCA's defamation claim.

Mattel appeals the district court's ruling that Barbie Girl is a parody of Barbie and a nominative fair use; that MCA's use of the term Barbie is not likely to confuse consumers as to Mattel's affiliation with Barbie Girl or dilute the Barbie mark; and

that Mattel cannot assert an unfair competition claim under the Paris Convention for the Protection of Industrial Property. MCA cross-appeals the grant of summary judgment on its defamation claim as well as the district court's jurisdictional holdings.

II

A. All three foreign defendants are affiliated members of Universal Music Group and have an active relationship with each other and with domestic members of the Group. Defendants entered into cross-licensing agreements and developed a coordinated plan to distribute the Barbie Girl song in the United States (including California), and sent promotional copies of the Barbie Girl single and the Aquarium album to the United States (including California). This conduct was expressly aimed at, and allegedly caused harm in, California, Mattel's principal place of business. See *Panavision Int'l, L.P.* v. *Toeppen,* 141 F.3d 1316, 1321 (9th Cir.1998). Mattel's trademark claims would not have arisen "but for" the conduct foreign defendants purposefully directed toward California, and jurisdiction over the foreign defendants, who are represented by the same counsel and closely associated with the domestic defendants, is reasonable. See *id.* at 1321-22. The district court did not err in asserting specific personal jurisdiction over the foreign defendants.

B. Sales of the Aquarium album worldwide had a sufficient effect on American foreign commerce, and Mattel suffered monetary injury in the United States from those sales. See *Ocean Garden, Inc.* v. *Marktrade Co.,* 953 F.2d 500, 503 (9th Cir.1991). Moreover, Mattel's claim is more closely tied to interests of American foreign commerce than it is to the commercial interests of other nations: Mattel's principal place of business is in California, the foreign defendants are closely related to the domestic defendants, and Mattel ***900** sought relief only for defendants' sales in the United States. See *Star-Kist Foods, Inc.* v. *P.J. Rhodes & Co.,* 769 F.2d 1393, 1395-96 (9th

Cir.1985). The district court properly exercised extraterritorial jurisdiction under the Lanham Act.

III

A. A trademark is a word, phrase or symbol that is used to identify a manufacturer or sponsor of a good or the provider of a service. See *New Kids on the Block v. News Am. Publ'g, Inc.*, 971 F.2d 302, 305 (9th Cir.1992). It's the owner's way of preventing others from duping consumers into buying a product they mistakenly believe is sponsored by the trademark owner. A trademark "inform[s] people that trademarked products come from the same source." *Id.* at 305 n. 2. Limited to this core purpose—avoiding confusion in the marketplace—a trademark owner's property rights play well with the First Amendment. "Whatever first amendment rights you may have in calling the brew you make in your bathtub 'Pepsi' are easily outweighed by the buyer's interest in not being fooled into buying it." *Trademarks Unplugged,* 68 N.Y.U. L. Rev. 960, 973 (1993).

The problem arises when trademarks transcend their identifying purpose. Some trademarks enter our public discourse and become an integral part of our vocabulary. How else do you say that something's "the Rolls Royce of its class"? What else is a quick fix, but a Band-Aid? Does the average consumer know to ask for aspirin as "acetyl salicylic acid"? See *Bayer Co.* v. *United Drug Co.*, 272 F. 505, 510 (S.D.N.Y.1921). Trademarks often fill in gaps in our vocabulary and add a contemporary flavor to our expressions. Once imbued with such expressive value, the trademark becomes a word in our language and assumes a role outside the bounds of trademark law.

Our likelihood-of-confusion test, see *AMF Inc.* v. *Sleekcraft Boats,* 599 F.2d 341, 348-49 (9th Cir.1979), generally strikes a comfortable balance between the trademark owner's property rights and the public's expressive interests. But when a trademark owner asserts a right to control how we express ourselves—when we'd find it difficult to describe the product any other way (as in the case of aspirin), or when the mark (like

Rolls Royce) has taken on an expressive meaning apart from its source-identifying function— applying the traditional test fails to account for the full weight of the public's interest in free expression.

The First Amendment may offer little protection for a competitor who labels its commercial good with a confusingly similar mark, but "[t]rademark rights do not entitle the owner to quash an unauthorized use of the mark by another who is communicating ideas or expressing points of view." *L.L. Bean, Inc.* v. *Drake Publishers, Inc.*, 811 F.2d 26, 29 (1st Cir.1987). Were we to ignore the expressive value that some marks assume, trademark rights would grow to encroach upon the zone protected by the First Amendment. See *Yankee Publ'g, Inc.* v. *News Am. Publ'g, Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y.1992) ("[W]hen unauthorized use of another's mark is part of a communicative message and not a source identifier, the First Amendment is implicated in opposition to the trademark right."). Simply put, the trademark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source—identifying function. See *Anti-Monopoly, Inc.* v. *Gen. Mills Fun Group,* 611 F.2d 296, 301 (9th Cir.1979) ("It is the source-denoting function ***901** which trademark laws protect, and nothing more.").

B. There is no doubt that MCA uses Mattel's mark: Barbie is one half of Barbie Girl. But Barbie Girl is the title of a song about Barbie and Ken, a reference that—at least today—can only be to Mattel's famous couple. We expect a title to describe the underlying work, not to identify the producer, and Barbie Girl does just that.

The Barbie Girl title presages a song about Barbie, or at least a girl like Barbie. The title conveys a message to consumers about what they can expect to discover in the song itself; it's a quick glimpse of Aqua's take on their own song. The lyrics confirm this: The female singer, who calls herself Barbie, is "a Barbie girl, in [her] Barbie world." She tells her male coun-

terpart (named Ken), "Life in plastic, it's fantastic. You can brush my hair, undress me everywhere/Imagination, life is your creation." And off they go to "party." The song pokes fun at Barbie and the values that Aqua contends she represents. See *Cliffs Notes, Inc.* v. *Bantam Doubleday Dell Publ'g Group,* 886 F.2d 490, 495-96 (2d Cir.1989). The female singer explains, "I'm a-blond bimbo girl, in a fantasy world/Dress me up, make it tight, I'm your dolly."

The song does not rely on the Barbie mark to poke fun at another subject but targets Barbie herself. See *Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 580, 114 S. Ct. 1164, 127 L. Ed. 2d 500 (1994); see also *Dr. Seuss Ents., L.P.* v. *Penguin Books USA, Inc.*, 109 F.3d 1394, 1400 (9th Cir.1997). This case is therefore distinguishable from *Dr. Seuss*, where we held that the book The Cat NOT in the Hat! borrowed Dr. Seuss's trademarks and lyrics to get attention rather than to mock The Cat in the Hat! The defendant's use of the Dr. Seuss trademarks and copyrighted works had "no critical bearing on the substance or style of" The Cat in the Hat!, and therefore could not claim First Amendment protection. *Id.* at 1401. *Dr. Seuss* recognized that, where an artistic work targets the original and does not merely borrow another's property to get attention, First Amendment interests weigh more heavily in the balance. See *id.* at 1400-02; see also *Harley-Davidson, Inc.* v. *Grottanelli,* 164 F.3d 806, 812-13 (2d Cir.1999) (a parodist whose expressive work aims its parodic commentary at a trademark is given considerable leeway, but a claimed parodic use that makes no comment on the mark is not a permitted trademark parody use).

The Second Circuit has held that "in general the [Lanham] Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression." *Rogers* v. *Grimaldi,* 875 F.2d 994, 999 (2d Cir.1989); see also *Cliffs Notes,* 886 F.2d at 494 (quoting *Rogers*, 875 F.2d at 999). Rogers considered a challenge by the actress Ginger Rogers to the film Ginger and Fred. The movie told the story of two Italian cabaret performers

who made a living by imitating Ginger Rogers and Fred Astaire. Rogers argued that the film's title created the false impression that she was associated with it.

At first glance, Rogers certainly had a point. Ginger was her name, and Fred was her dancing partner. If a pair of dancing shoes had been labeled Ginger and Fred, a dancer might have suspected that Rogers was associated with the shoes (or at least one of them), just as Michael Jordan has endorsed Nike sneakers that claim to make you fly through the air. But Ginger and Fred was not a brand of shoe; it was the title of a movie and, for ***902** the reasons explained by the Second Circuit, deserved to be treated differently.

A title is designed to catch the eye and to promote the value of the underlying work. Consumers expect a title to communicate a message about the book or movie, but they do not expect it to identify the publisher or producer. See *Application of Cooper,* 45 C.C.P.A. 923, 254 F.2d 611, 615- 16 (C.C.P.A.1958) (A "title ... identifies a specific literary work, ... and is not associated in the public mind with the ... manufacturer." (internal quotation marks omitted)). If we see a painting titled "Campbell's Chicken Noodle Soup," we're unlikely to believe that Campbell's has branched into the art business. Nor, upon hearing Janis Joplin croon "Oh Lord, won't you buy me a Mercedes-Benz?," would we suspect that she and the carmaker had entered into a joint venture. A title tells us something about the underlying work but seldom speaks to its origin:

> Though consumers frequently look to the title of a work to determine what it is about, they do not regard titles of artistic works in the same way as the names of ordinary commercial products. Since consumers expect an ordinary product to be what the name says it is, we apply the Lanham Act with some rigor to prohibit names that misdescribe such goods. But most consumers are well aware that they cannot judge a book solely by its title any more than by its cover.

Rogers, 875 F.2d at 1000 (citations omitted).

Rogers concluded that literary titles do not violate the Lanham Act "unless the title has no artistic relevance to the underlying work whatsoever, or, if it has some artistic relevance, unless the title explicitly misleads as to the source or the content of the work." *Id.* at 999 (footnote omitted). We agree with the Second Circuit's analysis and adopt the Rogers standard as our own.

Applying Rogers to our case, we conclude that MCA's use of Barbie is not an infringement of Mattel's trademark. Under the first prong of Rogers, the use of Barbie in the song title clearly is relevant to the underlying work, namely, the song itself. As noted, the song is about Barbie and the values Aqua claims she represents. The song title does not explicitly mislead as to the source of the work; it does not, explicitly or otherwise, suggest that it was produced by Mattel. The only indication that Mattel might be associated with the song is the use of Barbie in the title; if this were enough to satisfy this prong of the Rogers test, it would render Rogers a nullity. We therefore agree with the district court that MCA was entitled to summary judgment on this ground. We need not consider whether the district court was correct in holding that MCA was also entitled to summary judgment because its use of Barbie was a nominative fair use.[1]

IV

Mattel separately argues that, under the Federal Trademark Dilution Act ("FTDA"), MCA's song dilutes the Barbie mark in two ways: It diminishes the mark's capacity to identify and distinguish Mattel products, and tarnishes the mark because the

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[1] The likelihood-of-confusion test also governs Mattel's state law claims of unfair competition. *Cleary* v. *News Corporation*, 30 F.3d 1255, 1262-63 (9th Cir.1994) (citing *Academy of Motion Picture Arts & Sciences* v. *Creative House Promotions, Inc.*, 944 F.2d 1446, 1457 (9th Cir.1991)). Therefore, the district court properly granted summary judgment on these claims as well.

song is inappropriate for *903 young girls. See 15 U.S.C. § 1125(c); see also *Panavision,* 141 F.3d at 1324.

"Dilution" refers to the "whittling away of the value of a trademark" when it's used to identify different products. 4 J. *Thomas McCarthy, McCarthy on Trademarks and Unfair Competition* § 24.67, at 24-120; § 24.70, at 24-122 (2001). For example, Tylenol snowboards, Netscape sex shops and Harry Potter dry cleaners would all weaken the "commercial magnetism" of these marks and diminish their ability to evoke their original associations. Ralph S. Brown, Jr., Advertising and the *Public Interest: Legal Protection of Trade Symbols,* 57 Yale L.J. 1165, 1187 (1948), reprinted in 108 Yale L.J. 1619 (1999). These uses dilute the selling power of these trademarks by blurring their "uniqueness and singularity," *Frank I. Schechter, The Rational Basis of Trademark Protection,* 40 Harv. L. Rev. 813, 831 (1927), and/or by tarnishing them with negative associations.

By contrast to trademark infringement, the injury from dilution usually occurs when consumers aren't confused about the source of a product: Even if no one suspects that the maker of analgesics has entered into the snowboard business, the Tylenol mark will now bring to mind two products, not one. Whereas trademark law targets "interference with the source signaling function" of trademarks, dilution protects owners "from an appropriation of or free riding on" the substantial investment that they have made in their marks. *I.P. Lund Trading ApS* v. *Kohler Co.,* 163 F.3d 27, 50 (1st Cir.1998).

Originally a creature of state law, dilution received nationwide recognition in 1996 when Congress amended the Lanham Act by enacting the FTDA.[2] The statute protects "[t]he owner

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[2] Even at the state level, dilution is of relatively recent vintage. The first anti-dilution statute was enacted in Massachusetts in 1947, see *Mass. Gen. Laws Ann. Ch.* 110B, § 12 (West 1992). By the time the FTDA was enacted in 1996, only twenty-six states had anti-dilution statutes on the

of a famous mark ... against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark." 15 U.S.C. § 1125(c). Dilutive uses are prohibited unless they fall within one of the three statutory exemptions discussed below. See pp. 10494-99 infra. For a lucid and scholarly discussion of the statutory terms, as well as the purposes of the federal dilution statute, we refer the reader to Judge Leval's opinion in *Nabisco, Inc.* v. *PF Brands, Inc.*, 191 F.3d 208, 214-17 (2d Cir.1999). Barbie easily qualifies under the FTDA as a famous and distinctive mark, and reached this status long before MCA began to market the Barbie Girl song. The commercial success of Barbie Girl establishes beyond dispute that the Barbie mark satisfies each of these elements.

We are also satisfied that the song amounts to a "commercial use in commerce." Although this statutory language is ungainly, its meaning seems clear: It refers to a use of a famous and distinctive mark to sell goods other than those produced or authorized by the mark's owner. *Panavision*, 141 F.3d at 1324-25. That is precisely what MCA did with the Barbie mark: It created and sold to consumers in the marketplace commercial products (the Barbie Girl single and the Aquarium album) that bear the Barbie mark.

MCA's use of the mark is dilutive. MCA does not dispute that, while a reference ***904** to Barbie would previously have brought to mind only Mattel's doll, after the song's popular success, some consumers hearing Barbie's name will think of both the doll and the song, or perhaps of the song only.[3/] This is a

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books. See 4 *McCarthy* § 24:80, at 24-136.2 n. 2; H.R. Rep. No. 104-374, at 3-4 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1030-31.

[3/] The Supreme Court will soon decide whether the owner of a famous mark must show economic injury to show dilution or whether potential injury is sufficient. *Moseley* v. *V Secret Catalogue, Inc.*, --- U.S. ----, 122 S. Ct. 1536, 152 L. Ed. 2d 463 (2002). Because MCA did not challenge Mattel's showing as insufficient on this ground, we do not address it.

a classic blurring injury and is in no way diminished by the fact that the song itself refers back to Barbie the doll. To be dilutive, use of the mark need not bring to mind the junior user alone. The distinctiveness of the mark is diminished if the mark no longer brings to mind the senior user alone.[4/]

We consider next the applicability of the FTDA's three statutory exemptions. These are uses that, though potentially dilutive, are nevertheless permitted: comparative advertising; news reporting and commentary; and noncommercial use. 15 U.S.C. § 1125(c)(4)(B). The first two exemptions clearly do not apply; only the exemption for noncommercial use need detain us.

A "noncommercial use" exemption, on its face, presents a bit of a conundrum because it seems at odds with the earlier requirement that the junior use be a "commercial use in commerce." If a use has to be commercial in order to be dilutive, how then can it also be noncommercial so as to satisfy the exception of section 1125(c)(4)(B)? If the term "commercial use" had the same meaning in both provisions, this would eliminate one of the three statutory exemptions defined by this subsection, because any use found to be dilutive would, of necessity, not be noncommercial.

Such a reading of the statute would also create a constitutional problem, because it would leave the FTDA with no First Amendment protection for dilutive speech other than comparative advertising and news reporting. This would be a serious problem because the primary (usually exclusive) remedy for dilution is an injunction.[5/] As noted above, tension with the First Amendment also exists in the trademark context, especially where the mark has assumed an expressive function be-

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[4/] Because we find blurring, we need not consider whether the song also tarnished the Barbie mark.

[5/] The FTDA provides for both injunctive relief and damages, but the latter is only available if plaintiff can prove a willful intent to dilute. 15 U.S.C. § 1125(c)(2).

yond mere identification of a product or service. See pp. 900-901 supra; *New Kids on the Block*, 971 F.2d at 306-08. These concerns apply with greater force in the dilution context because dilution lacks two very significant limitations that reduce the tension between trademark law and the First Amendment.

First, depending on the strength and distinctiveness of the mark, trademark law grants relief only against uses that are likely to confuse. See 5 *McCarthy* § 30:3, at 30-8 to 30-11; Restatement § 35 cmt. c at 370. A trademark injunction is usually limited to uses within one industry or several related industries. Dilution law is the antithesis of trademark law in this respect, because it seeks to protect the mark from association in the public's mind with wholly unrelated goods and services. The more remote the good or service associated with the junior use, the more likely it is to cause dilution rather than trademark infringement. A dilution injunction, by contrast to a trademark ***905** injunction, will generally sweep across broad vistas of the economy.

Second, a trademark injunction, even a very broad one, is premised on the need to prevent consumer confusion. This consumer protection rationale—averting what is essentially a fraud on the consuming public—is wholly consistent with the theory of the First Amendment, which does not protect commercial fraud. *Cent. Hudson Gas & Elec.* v. *Pub. Serv. Comm'n*, 447 U.S. 557, 566, 100 S. Ct. 2343, 65 L. Ed. 2d 341 (1980); see *Thompson* v. *W. States Med. Ctr.*, --- U.S. ----, 122 S. Ct. 1497, 152 L. Ed. 2d 563 (2002) (applying Central Hudson). Moreover, avoiding harm to consumers is an important interest that is independent of the senior user's interest in protecting its business.

Dilution, by contrast, does not require a showing of consumer confusion, 15 U.S.C. § 1127, and dilution injunctions therefore lack the built-in First Amendment compass of trademark injunctions. In addition, dilution law protects only the distinctiveness of the mark, which is inherently less weighty

than the dual interest of protecting trademark owners and avoiding harm to consumers that is at the heart of every trademark claim.

Fortunately, the legislative history of the FTDA suggests an interpretation of the "noncommercial use" exemption that both solves our interpretive dilemma and diminishes some First Amendment concerns: "Noncommercial use" refers to a use that consists entirely of noncommercial, or fully constitutionally protected, speech. See 2 Jerome Gilson et al., *Trademark Protection and Practice* § 5.12[1][c][vi], at 5-240 (this exemption "is intended to prevent the courts from enjoining speech that has been recognized to be [fully] constitutionally protected," "such as parodies"). Where, as here, a statute's plain meaning "produces an absurd, and perhaps unconstitutional, result[, it is] entirely appropriate to consult all public materials, including the background of [the statute] and the legislative history of its adoption." *Green* v. *Bock Laundry Mach. Co.*, 490 U.S. 504, 527, 109 S. Ct. 1981, 104 L. Ed. 2d 557 (1989) (Scalia, J., concurring).

The legislative history bearing on this issue is particularly persuasive. First, the FTDA's sponsors in both the House and the Senate were aware of the potential collision with the First Amendment if the statute authorized injunctions against protected speech. Upon introducing the counterpart bills, sponsors in each house explained that the proposed law "will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction." 141 Cong. Rec. S1930610, S19310 (daily ed. Dec. 29, 1995) (statement of Sen. Hatch); 141 Cong. Rec. H14317-01, H14318 (daily ed. Dec. 12, 1995) (statement of Rep. Moorhead). The House Judiciary Committee agreed in its report on the FTDA. H.R. Rep. No. 104-374, at 4 (1995), reprinted in 1995 U.S.C.C.A.N. 1029, 1031 ("The bill will not

prohibit or threaten, noncommercial' expression, as that term has been defined by the courts.").[6]

***906** The FTDA's section-by-section analysis presented in the House and Senate suggests that the bill's sponsors relied on the "noncommercial use" exemption to allay First Amendment concerns. H.R. Rep. No. 104-374, at 8, reprinted in 1995 U.S.C.C.A.N. 1029, 1035 (the exemption "expressly incorporates the concept of 'commercial' speech from the 'commercial speech' doctrine, and proscribes dilution actions that seek to enjoin use of famous marks in 'non-commercial' uses (such as consumer product reviews)"); 141 Cong. Rec. S19306-10, S19311 (daily ed. Dec. 29, 1995) (the exemption "is consistent with existing case law[, which] recognize[s] that the use of marks in certain forms of artistic and expressive speech is protected by the First Amendment"). At the request of one of the bill's sponsors, the section-by- section analysis was printed in the Congressional Record. 141 Cong. Rec. S19306-10, S19311 (daily ed. Dec. 29, 1995). Thus, we know that this interpretation of the exemption was before the Senate when the FTDA was passed, and that no senator rose to dispute it.

To determine whether Barbie Girl falls within this exemption, we look to our definition of commercial speech under our First Amendment caselaw. See H.R. Rep. No. 104-374, at 8, reprinted in 1995 U.S.C.C.A.N. 1029, 1035 (the exemption "expressly incorporates the concept of 'commercial' speech from the 'commercial speech' doctrine"); 141 Cong. Rec.

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[6] Our interpretation of the noncommercial use exemption does not eliminate all tension between the FTDA and the First Amendment because the exemption does not apply to commercial speech, which enjoys "qualified but nonetheless substantial protection." *Bolger*, 463 U.S. 60, 68, 103 S. Ct. 2875 (applying *Central Hudson Gas & Electric Corp.* v. *Pub. Serv. Comm'n*, 447 U.S. 557, 100 S. Ct. 2343, 65 L. Ed. 2d 341 (1980)). See also *Thompson*, --- U.S. at ----, 122 S. Ct. at 1503-04 (same). It is entirely possible that a dilution injunction against purely commercial speech would run afoul of the First Amendment. Because that question is not presented here, we do not address it.

S19306-10, S19311 (daily ed. Dec. 29, 1995) (the exemption "is consistent with existing [First Amendment] case law"). "Although the boundary between commercial and noncommercial speech has yet to be clearly delineated, the 'core notion of commercial speech' is that it 'does no more than propose a commercial transaction.'" *Hoffman* v. *Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir.2001) (quoting *Bolger* v. *Youngs Drug Prod's Corp.*, 463 U.S. 60, 66, 103 S. Ct. 2875, 77 L. Ed. 2d 469 (1983)). If speech is not "purely commercial"—that is, if it does more than propose a commercial transaction— then it is entitled to full First Amendment protection. *Id.* at 1185-86 (internal quotation marks omitted).

In Hoffman, a magazine published an article featuring digitally altered images from famous films. Computer artists modified shots of Dustin Hoffman, Cary Grant, Marilyn Monroe and others to put the actors in famous designers' spring fashions; a still of Hoffman from the movie "Tootsie" was altered so that he appeared to be wearing a Richard Tyler evening gown and Ralph Lauren heels. Hoffman, who had not given permission, sued under the Lanham Act and for violation of his right to publicity. *Id.* at 1183.

The article featuring the altered image clearly served a commercial purpose: "to draw attention to the for-profit magazine in which it appear[ed]" and to sell more copies. *Id.* at 1186. Nevertheless, we held that the article was fully protected under the First Amendment because it included protected expression: "humor" and "visual and verbal editorial comment on classic films and famous actors." *Id.* at 1185 (internal quotation marks omitted). Because its commercial purpose was "inextricably entwined with [these] expressive elements," the article and accompanying photographs enjoyed full First Amendment protection. *Id.*

Hoffman controls: Barbie Girl is not purely commercial speech, and is therefore ***907** fully protected. To be sure, MCA used Barbie's name to sell copies of the song. However, as

we've already observed, see pp. 10489-90 supra, the song also lampoons the Barbie image and comments humorously on the cultural values Aqua claims she represents. Use of the Barbie mark in the song Barbie Girl therefore falls within the non-commercial use exemption to the FTDA. For precisely the same reasons, use of the mark in the song's title is also exempted.

V

Mattel next argues that the district court erred in granting summary judgment for the foreign defendants on its unfair competition claim under the Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, as revised at Stockholm, July 14, 1967, art. 10bis, 21 U.S.T. 1583, 1648, 828 U.N.T.S. 305, 337 (hereinafter Paris Convention). Mattel grounds its claim on Article 10bis, which provides that "[t]he countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition." *Paris Convention, art.* 10bis, 21 U.S.T. at 1648, 828 U.N.T.S. at 337. Mattel asserts that Article 10bis creates a federal cause of action for unfair competition in international disputes, and that section 44 of the *Lanham Act,* 15 U.S.C. § 1126, makes the substantive provisions of the Paris Convention available to United States nationals.

In *Toho Co.* v. *Sears, Roebuck & Co.,* 645 F.2d 788, 790-92 (9th Cir.1981), the Japanese producer and distributor of "Godzilla" asserted a claim against the manufacturer of "Bagzilla" garbage bags based on a "federal law of unfair competition." Subsection 44(b) gives to "persons whose country of origin is a party to any [trademark] convention or treaty ... to which the United States is also a party" the benefits of section 44 to the extent necessary to give effect to the provisions of those treaties. 15 U.S.C. § 1126(b). These benefits include "effective protection against unfair competition." 15 U.S.C. § 1126(h). Thus, a foreign national is granted protection against unfair competition consistent with the protections of applicable trademark treaties.

However, we made clear in Toho that subsection 44(h) does not create a general federal law of unfair competition. See 645 F.2d at 792; see also *Int'l Order of Job's Daughters* v. *Lindeburg & Co.*, 633 F.2d 912, 915-16, 916 n. 5 (9th Cir.1980). Rather, "[t]he grant in subsection (h) of effective protection against unfair competition is tailored to the provisions of the unfair competition treaties by subsection (b), which extends the benefits of section 44 only to the extent necessary to give effect to the treaties." *Toho,* 645 F.2d at 792. Subsection 44(h) creates a federal right that is coextensive with the substantive provisions of the treaty involved. See *id.* Because the treaty involved in Toho required that Japanese corporations be treated as favorably as domestic companies with respect to unfair competition claims, we held that subsection 44(h) provided Toho with a federal forum in which to bring its state unfair competition claims. See *id.*

Subsection 44(i) goes no farther. It does not create a federal cause of action where subsection 44(h) would not, because it provides only that United States citizens "shall have the same benefits as are granted by this section to persons described in subsection (b) of this section." 15 U.S.C. § 1126(i). And, "so far as concerns 'unfair competition,' those 'benefits' are limited to such as may be found in some 'convention or treaty relating to ... the repression of unfair competition.' The purpose of [subsection ***908** 44(i)], quite clearly, is no more than to extend to citizens and residents those 'benefits' that any 'convention or treaty' gives to aliens, including the same remedies for 'protection against unfair competition' that subsection (h) gives to aliens." *Am. Auto. Ass'n* v. *Spiegel,* 205 F.2d 771, 775 (2d Cir.1953). The only protection against unfair competition that subsection 44(h) grants to foreign nationals, and that subsection 44(i) therefore grants to American citizens, is that "necessary to give effect to any provisions of [trademark treaties]." 15 U.S.C. § 1126(b). Therefore, Mattel's federal unfair competition claim depends on the extent to which the substantive provisions of the Paris Convention create one.

However, we've also held that "the Paris Convention was not intended to define the substantive law in the area of 'unfair competition' of the signatory countries." *Kemart Corp.* v. *Printing Arts Research Labs., Inc.*, 269 F.2d 375, 389 (9th Cir.1959). The Paris Convention does not provide substantive rights but ensures "national treatment." 4 McCarthy § 29:25. That is, it requires that "foreign nationals ... be given the same treatment in each of the member countries as that country makes available to its own citizens." *Vanity Fair Mills* v. *T. Eaton,* 234 F.2d 633, 640 (2d Cir.1956).

Section 44 and the Paris Convention therefore interact as follows: A foreign national is entitled to the same "effective protection against unfair competition" to which an American is entitled, Paris Convention, art. 10bis, and in turn, the American gets the same right that the foreign national gets. We treat Mattel like a foreign national, who is treated like an American under the Paris Convention. Accordingly, Mattel is entitled to assert a cause of action under the Lanham Act for trademark infringement, 15 U.S.C. § 1114, or for false designation of origin, 15 U.S.C. § 1125, or it may assert state law claims for unfair competition, as it did. See n.1 supra. But Mattel has no claim to a nonexistent federal cause of action for unfair competition. As said, the Paris Convention provides for national treatment, and does not define the substantive law of unfair competition. We therefore reject Mattel's argument that a treaty provision providing for "national treatment" gives it more protections against foreign nationals than it has against U.S. nationals.

VI

After Mattel filed suit, Mattel and MCA employees traded barbs in the press. When an MCA spokeswoman noted that each album included a disclaimer saying that Barbie Girl was a "social commentary [that was] not created or approved by the makers of the doll," a Mattel representative responded by saying, "That's unacceptable .... It's akin to a bank robber handing a note of apology to a teller during a heist. [It n]either dimin-

ishes the severity of the crime, nor does it make it legal." He later characterized the song as a" theft" of "another company's property."

MCA filed a counterclaim for defamation based on the Mattel representative's use of the words "bank robber," "heist," "crime" and "theft." But all of these are variants of the invective most often hurled at accused infringers, namely "piracy." No one hearing this accusation understands intellectual property owners to be saying that infringers are nautical cutthroats with eyepatches and peg legs who board galleons to plunder cargo. In context, all these terms are non-actionable "rhetorical hyperbole," *Gilbrook* v. *City of Westminster,* 177 F.3d 839, 863 (9th Cir.1999). The parties are advised to chill.

AFFIRMED.

***909** APPENDIX

"Barbie Girl" by Aqua

-Hiya Barbie!
-Hi Ken!
You wanna go for a ride?
-Sure, Ken!
-Jump in!
-Ha ha ha ha!

(CHORUS:)

I'm a Barbie girl, in my Barbie world
Life in plastic, it's fantastic
You can brush my hair, undress me everywhere
Imagination, life is your creation
Come on Barbie, let's go party!

(CHORUS)

I'm a blonde bimbo girl, in a fantasy world
Dress me up, make it tight, I'm your dolly

You're my doll, rock and roll, feel the glamour in pink
Kiss me here, touch me there, hanky-panky
You can touch, you can play
If you say "I'm always yours," ooh ooh

(CHORUS)

(BRIDGE:)

Come on, Barbie, let's go party, ah ah ah yeah
Come on, Barbie, let's go party, ooh ooh, ooh ooh
Come on, Barbie, let's go party, ah ah ah yeah
Come on, Barbie, let's go party, ooh ooh, ooh ooh
Make me walk, make me talk, do whatever you please
I can act like a star, I can beg on my knees
Come jump in, be my friend, let us do it again
Hit the town, fool around, let's go party
You can touch, you can play
You can say "I'm always yours"
You can touch, you can play
You can say "I'm always yours"

(BRIDGE)

(CHORUS x2)

(BRIDGE)

-Oh, I'm having so much fun!
-Well, Barbie, we're just getting started!
-Oh, I love you Ken!

APPENDIX B

United States District Court
Central District of California

Mattel Inc.
v.
MCA Records Inc.

No. CV 97-6791-WMB
[46 U.S.P.Q.2d 1407]

Decided February 18, 1998

Byrne, J.

I. BACKGROUND

In March, 1997, a Danish musical group known as "Aqua" released in Europe an eleven-song album, Aquarium. This album included a song entitled Barbie Girl, in which a woman and man assume the identities of two popular Mattel dolls known as Barbie and Ken. Defendants claim this song parodies the popular toys, with the singers referring to Barbie as a "blond bimbo girl," who loves to party and whose "life is plastic." Barbie Girl quickly became a hit in Europe and later was released in the United States, where the Aquarium album sold over 1.4 million compact discs (CDs) and cassettes. (Defs.' Opp'n at 1).

On September 11, 1997, Mattel ("plaintiff") filed suit in this Court, bringing the following eleven causes of action against MCA and other defendants:[1] (1) trademark and trade

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[1] Mattel did not, however, sue the musical group Aqua. In its reply, Mattel claims that it is not attempting to "censor" the song, as it is only suing the companies that actually manufactured and distributed the CD. (Pl.'s Reply at 1). It also claims that any alleged harm to a nonparty is "irrelevant" (Id. at 34).

Plaintiff's proposed preliminary injunction, however, calls for the destruction of all CD's with the "Barbie" mark on it. (Pl.'s Proposed Order at

dress dilution, (2) trademark infringement, (3) false designation of origin and false description, (4) statutory and common law unfair competition, (5) unfair competition under the Paris Convention, (6) wrongful use of a registered mark; (7) common law misappropriation; (8) common law passing-off and disparagement; and (9) common law unjust enrichment, (10) contributory trademark and trade dress dilution, and (11) contributory trademark and trade dress infringement. Defendants, in turn, filed a counterclaim for defamation.

Mattel has now brought a motion for a preliminary injunction based on its claims for trade mark infringement, unfair competition, and trademark dilution. Mattel's proposed preliminary injunction asks this Court to enjoin defendants from manufacturing, producing, or distributing the Barbie Girl song. It also requests that the Court require defendants to "dispos[e] of or destroy[ ] any product or its packaging, which uses Mattel's BARBIE trade name." (Pl.'s Proposed Order at 3). In response, MCA has filed an opposition and motions to strike two of the three declarations filed in support of plaintiff's motion (those of Jean McKenzie and Weston Anson). In reply, Mattel filed its own evidentiary objections to many of defendants' declarations.

II. THE PARTIES' EVIDENTIARY OBJECTIONS

Defendants filed motions to strike the declarations of Jean McKenzie, executive vice- president of Mattel, and of Weston Anson, ***1409** an intellectual property consultant. In response, plaintiff objected to defendants' declarations by Valerie Folkes, Richard Lanham, and Astrid Hansen, in their entirety, and to

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3). Destroying all of Aqua's albums will undoubted have a disastrous effect on the new band itself, even if it is not named specifically as a defendant. (See Rasted Decl. Para. 18 (noting that an injunction stopping the production of Aqua's first album released in the United States could harm the prospects for its next album)). In addition, this case raises important First Amendment issues, and an injunction could have a direct effect on Aqua's free speech interests in parodying or commenting on Barbie.

portions of the declarations of Bruce Wheeler, Soren Rasted, and Jeffrey Goldman.

"The strict evidentiary rules governing a trial on the merits" do not apply to hearings for preliminary injunctions. *Orantes-Hernandez* v. *Smith*, 541 F. Supp. 351, 356 n.4 (C.D. Cal. 1982). In *Orantes-Hernandez*, the Court recognized that, although "many of plaintiffs' exhibits contain hearsay and other impermissible matter which could not be admitted to trial," plaintiffs often face "the need to act promptly when bringing a preliminary injunction motion." Id. Indeed, courts "may give even inadmissible evidence some weight when to do so serves the purpose of preventing irreparable harm before trial." *Flynt Distrib. Co., Inc.* v. *Harvey*, 734 F.2d 1389, 1394 (9th Cir. 1984). This Court therefore denies each side's motions to strike.

III. PRELIMINARY INJUNCTION STANDARD OF REVIEW

The Ninth Circuit has identified two alternative tests for obtaining a preliminary injunction: "the moving party must show either (1) a combination of probable success on the merits and the possibility of irreparable injury, or (2) that serious questions are raised and the balance of hardships tips sharply in its favor." *Big Country Foods, Inc.* v. *Board of Educ.*, 868 F.2d 1085, 1088 (9th Cir. 1989). "These formulations are not different tests but represent two points on a sliding scale in which the degree of irreparable harm increases as the probability of success on the merits decreases. Under either formulation, the moving party must demonstrate significant threat of irreparable injury, irrespective of the magnitude of the injury." Id.; see also *Dr. Seuss Enterprises, L.P.* v. *Penguin Books USA, Inc.*, 109 F.3d 1394, 1397 n.1 [42 U.S.P.Q.2d 1184] (9th Cir.), *cert. dismissed*, 118 S. Ct. 27 (1997).

IV. DISCUSSION

A. The Song and Video as Parody

The crux of plaintiff's argument is that defendants have misappropriated the Barbie trademark by using the word "Bar-

bie" in the song Barbie Girl and its video. Plaintiff claims that this use will lead to confusion among consumers and harm to the Barbie product line itself. Defendants respond, however, that Barbie is an icon in American culture and that their alleged parody of her is protected by the First Amendment. Indeed, parody has played an important role in social discourse. See *Dr. Seuss*, 109 F.3d at 1400; *L.L. Bean, Inc.* v. *Drake Publishers, Inc.*, 811 F.2d 26, 28 [1 U.S.P.Q.2d 1753] (1st Cir.) ("Parody is a humorous form of social commentary and literary criticism that dates back as far as Greek antiquity."), *cert. denied*, 483 U.S. 1013 (1987); *Fisher* v. *Dees*, 794 F.2d 432, 437-38 [230 U.S.P.Q. 421] (9th Cir. 1986) (" 'Destructive' parodies play an important role in social and literary criticisms and thus merit protection even though they may discourage or discredit an original author.").

Mattel complains of Aqua's portrayal of its product, which generated $1.6 billion in sales in 1996, because Aqua's song associates its doll with "antisocial themes such as promiscuity, lewdness, and the stereotyping and ridiculing of young women." (Pl.'s Mot. at 2). Plaintiff asserts that "[t]hese adult-orientated lyrics convey a message that is inconsistent with the wholesome image Mattel has conscientiously developed." (Id. at 7).

Plaintiff objects specifically to the following phrases sung by the pretend "Barbie" during the course of the song: "you can brush my hair, undress[2/] me everywhere"; "I'm a blond bimbo girl, in a fantasy world"; "you can touch, you can play, if you say: 'I'm always yours'"; and "make me walk, make me talk, do whatever you please, I can act like a star, I can beg on my knees." Plaintiff also objects to Ken's lyrics, which include

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[2/] Plaintiff claims that this lyric includes the word "undress me everywhere." A transcript of the lyrics provided by defendants describers the phase as "and dress me everywhere." (Rasted Decl. at 26). However, a declaration by Richard Lanham, provided by defendants, also identifies the lyrics as "undress me everywhere." (Lanham Decl. Para. 37).

"kiss me here, touch me there, hanky panky" and "come jump in, bimbo friend, let us go do it again, hit the town, fool around, let's go party."

Mattel's distaste for the song's alleged message, of course, cannot alone justify granting it a preliminary injunction. Cf. *New Kids on the Block* v. *News American Publishing, Inc.*, 971 F.2d 302, 307 [23 U.S.P.Q.2d 1534] (9th Cir. 1992) (noting the potential for injury to public discourse if individuals cannot refer to specific trademarks in their social commentaries). Indeed, parody "inevitably offends others" because it so often "ridicule[s] sacred verities and prevailing mores." *L.L. Bean*, 811 F.2d at 28; see also *Dr. Seuss*, 109 F.3d at 1400 n. 8 (noting that courts should "not take into account whether [an alleged parody] is in good or bad taste").

***1410** A review of the song and its video reveals that, in general, the singers spoof what many children apparently do with their doll, including dressing and undressing them. (See, e.g. Lanham Decl. Para. 38). The song's fast tempo and the singers' exaggerated performances of their respective characters suggest that the lyrics are not to be taken too seriously.[3] As to the meaning of the lyrics, Soren Rasted—a member of Aqua and the song's "primary writer"—states that he wanted "to compose a humorous song about the 'Barbie fantasy world.'" (Rasted Decl. at 3). Rasted has explained in interviews that the song was about more than just the Barbie doll itself but also its "status [,] like the royal family, which is not to be tampered with.[4] (Id. at 4).

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[3] For example, a constant refrain throughout the song is the phrase, "Come on Barbie, let's go party."

[4] After defendants filed their opposition, Mattel's reply brief and attached declarations offered an interview by Rasted that purportedly shows the song is not a parody of Barbie. In a news story about this lawsuit, a reporter quotes Rasted as saying, "We don't mean to harm the doll. The song isn't about the doll, it's about the plastic world we live in. We're making fun of that." (Samuels Supp. Decl., Ex. B, at 8). The news story does not provide

In addition, the band members do not adopt the likeness of the Mattel dolls themselves. Both the album cover and the video display the band's four members. The lead singer, Lene Grawford Nystrom, who adopts the persona of Barbie in the song, has dark hair and a tattoo on her arm. Rene Dif, who sings as Ken, has a clean-shaven head. Neither of these singers match the usual images of Barbie as a blond young woman or Ken as a young man with a full head of hair.

Mattel describes the video's set as "predominantly colored in the BARBIE pink colors,[5/] including a pink house, which is reminiscent of the BARBIE 'DREAM HOUSE' . . . and a story line which features the KEN doll dismembering the BARBIE

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the context in which Rasted made these remarks, or whether he made any additional comments about the meaning of the song.

In any event, this statement is not inconsistent with parody, as Rasted had said earlier that he wanted to make fun of "Barbie's fantasy world." The song's lyrics clearly refer to Barbie's party-girl image (for example, Barbie sings, "I'm a blond bimbo girl in a fantasy world"). Also, it is not incompatible with parody for song-writers to have a "larger" point beyond the immediate object of the song. In addition, Rasted need not wish to "harm" the doll in order to parody it.

About the time the song was released, Rasted commented in an interview that

> It [the song] is about a Barbie doll, but like most of our songs there is a deeper significance to it. Not that we have to be taken dead seriously, but the Barbie doll has a certain status like the royal family, which is not to be tampered with.

(Rasted Para. 14). Rasted said that he was inspired to write the song after seeing a newspaper article about a "kitsch exhibition" in Copenhagen that included plastic Barbie dolls from the 1970s. (Id. at Paragraphs 9- 10).

Given the important First Amendment interests at stake, this Court will assume for the present motion that the song's lyrics—which refer throughout to Barbie and her party-girl life—are intended as a parody of both the doll itself and the values she has come to represent.

[5/] Mattel admits it does not have a trademark for its so-called "BARBIE pink" color. (Pl. Mot. at 5). For further discussion on the use of the color pink in this case, see below.

doll by pulling off her arm." (Pl.'s Mot. at 9). Although the set may invoke images of Barbie accessories, it is consistent with the group's attempt to parody the "Barbie fantasy world." See *Dr. Seuss*, 109 F.3d at 1400 (describing parody as "mimic [king] an original to make its point"); *Fisher*, 794 F.2d at 435 n.2 (noting that parodies sometimes "must appropriate a substantial portion of [its target] to evoke recognition"). In addition, Mattel's attempt to portray Ken's removal of Barbie's arm as dismemberment is exaggerated: the singers, playing with a fake-looking plastic arm, appear to be poking fun at the fact that Barbie, like all dolls, can be taken apart by her more adventuresome owners. (See Lanham Decl. Para. 45).

Although plaintiff clearly wishes that its doll only be associated with "wholesomeness," (Pl.'s Mot. at 5), defendants point out that the Barbie doll has become an icon that means different things to different people: "the doll has been seen as feminist and anti-feminist; as seductive and as wholesome; as intelligent and as a 'dumb blond.' Barbie has been hailed as a role model and condemned as the cause of eating disorders." (Defs.' Opp'n at 5). Nor is Barbie Girl the only song to tweak the image Mattel wants for its doll: defendants identify nine other songs that have invoked Barbie's name, some of which contain language far more vulgar than Barbie Girl's references to "hanky panky."[6/] (Id. at 6-7, 28).

[6/] For example, David Wilcox's song "Barbie," on his East Asheville Hardware album, sings that Barbie

> Made a career leading cheers for the L.A. Lakers
> Then became the main mistress of the Reverend Jim Bakker
> Helped him hear his messages from the Lord
> With a vibrator and ouija board.

(Folkes Decl., Ex. 6, at 73). Likewise, a song by Lunachicks, entitled "Bitterness Barbie," critiques Barbie's "perfect" body by using vulgar terms to describe various parts of her anatomy. (Id.). In comparison, Aqua's criticism of Barbie is much more light-hearted.

Plaintiff asserts that evidence of third-party infringers is irrelevant to whether defendants are infringers. (Pl.'s Reply at 8). However, these songs

***1411** The fact plaintiff views the song as "attacking" the wholesome of its image product bolsters defendants' arguments that this song involves a parody, therefore raising First Amendment concerns. See *Dr. Seuss*, 109 F.3d at 1400 (observing that parody is a "form of social and literary criticism" implicating free speech interests under the First Amendment).

B. Mattel's Trademark Claim[7]

Plaintiff argues that the song Barbie Girl infringes upon its federal trademark, trade name, and trade dress and that it will likely confuse consumers into believing that the song is affiliated with the Barbie product line. Defendants respond that plaintiff exaggerates the reach of its trademark and cannot silence song parodies that poke fun at its product simply because they use the word "Barbie" in their title or lyrics.

The Lanham Act provides that

> Any person who shall, without the consent of the registrant—(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . shall be liable in a civil action by the registrant. . . .

15 U.S.C. Section 1114(1)(a) (West 1997). Protection under this Act requires that a "particular design must be both nonfunctional and have a secondary meaning." *Academy of Motion Picture Arts and Sciences* v. *Creative House Promotions, Inc.*, 944 F.2d 1446, 1454 [19 U.S.P.Q.2d 1491] (9th Cir. 1991).

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are just examples of social criticism of Barbie. Defendants are simply trying to link their song to other musical parodies and critiques of Mattel's product.

[7] Defendants assume for purposes of this argument that Mattel has a valid trademark but reserve the right to argue later that "the term 'Barbie doll' has . . . become generic and is outside the purview of the trademark laws.'" (Defs.' Opp'n at 8 n.5).

The appearance of the Barbie doll is rather distinctive, in that many consumers are likely to be able to identify the doll as a Barbie product.[8/] (See, e.g., Pl.'s Am. Compl., Ex. 29). In addition, Mattel's Barbie line clearly does have a "secondary meaning," in that people around the world associate the name Barbie with Mattel's line of dolls and doll-related accessories.[9/] (See, e.g., Defs.' Opp'n at 4 (identifying Barbie as a "cultural icon"); Pl.'s Mot. at 3 (claiming that "the Barbie brand name has achieved nothing short of celebrity status")). See also Rasted Decl., at 20 (quoting 1997 newspaper accounts describing Barbie as a cultural icon or symbol).

The Ninth Circuit has observed that the purpose of trademark has "remained constant and limited: Identification of the manufacturer or sponsor of a good or the provider of a service." *New Kids on the Block*, 971 F.2d at 305. Trademarks represent "a limited property right in a particular word, phrase or symbol." Id. at 306. It does not allow trademark holders to censor or silence all discussion of their products that they find annoying or offensive. Indeed, *New Kids* observed that " [m]uch useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark." 971 F.2d at 307.

In addition, the Ninth Circuit has recognized that " [p]arody is regarded as a form of social and literary criticism,

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[8/] Whether the colors "pink and white" are distinctive as to Barbie is another matter, particularly as pink is often associated with femininity and toys for young girls. See discussion below.

[9/] Plaintiff also contends that its Barbie products have become associated with wholesomeness. (Pl.'s Mot. at 5). However, as defendants point out, the Barbie doll has also been associated in the public mind with less savory images, such as eating disorders and poor self-esteem in young girls. (Def.'s Opp'n at 5). See also Lanham Decl. Para. 27, Ex. 14 (listing "serious cultural commentary . . . [that] has criticized Mattel . . . for marketing [to children] an air-headed sexpot who parodied real human bodies and gender roles").

having a socially significant value as free speech under the First Amendment." *Dr. Seuss*, 109 F.3d at 1400. Courts have noted that songs are "indisputably works of artistic expression" deserving of First Amendment protections. *Rogers* v. *Grimaldi*, 875 F.2d 994, 997 [10 U.S.P.Q.2d 1825] (2d Cir. 1989). Although the First Amendment does not prevent trademark law from applying to artistic works, courts must be careful not to trammel on free ***1412** speech values in protecting trademarks. See, e.g., id. at 998 (noting that " [b]ecause overextension of Lanham Act restrictions in the area of titles [of artistic works] might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict"); *Girl Scouts of the United States of America* v. *Bantam Doubleday Dell Publishing Group*, 808 F. Supp. 1112, 1118 [25 U.S.P.Q.2d 1737] (S.D.N.Y. 1992) ("The owner of a trademark does not possess a property right that is superior to the First Amendment right accorded to artistic expression."), *aff'd*, 996 F.2d 1477 [27 U.S.P.Q.2d 1316] (2d Cir. 1993).

1. Defendants' Fair Use Under the *New Kids* Standard

In general, the Ninth Circuit applies an eight-factor "likelihood of confusion" standard to both common law and federal statutory trademark infringement.[10] See *Dr. Seuss*, 109 F.3d at 1403-04; *AMF Inc.* v. *Sleekcraft Boats*, 599 F.2d 341, 348-49 [204 U.S.P.Q. 808] (9th Cir. 1979). Defendants contend, however, that their limited use of the term "Barbie" places their song outside the trademark context. See *New Kids*, 971 F.2d at 308 (observing that the "nominative use of a mark . . . lies outside the strictures of trademark law); *Rogers*, 875 F.2d at 999

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[10] Plaintiff argues that its state claims for trademark infringement, unfair competition, misappropriation, and passing-off are governed by the likelihood of confusion test. See *Century 21 Real Estate Corp.* v. *Sandlin*, 846 F.2d 1175, 1178 [6 U.S.P.Q.2d 2034] (9th Cir. 1988) (observing that " [t]he ultimate test for unfair competition is exactly the same as for trademark infringement"); *Toho Co.* v. *Sears, Roebuck & Co.*, 645 F.2d 788, 794 [210 U.S.P.Q. 547] (9th Cir. 1981) (noting that passing off and misappropriation are different "branches" of unfair competition).

(2d Cir. 1989) (holding that the Lanham Act does not apply in the case of "allegedly misleading titles using a celebrity's name" unless the title lacks artistic relevance or is explicitly misleading).[11]

In *New Kids*, the Ninth Circuit did not apply the eight factors for likelihood of confusion. Instead, the Court held that in some cases involving "a non-trademark use of a mark, . . . [trademark] infringement laws simply do not apply." 971 F.2d at 307. The *New Kids* case involved two newspapers that conducted polls by phone about readers' reactions to the musical group New Kids on the Block. The papers set up "900" numbers and charged their readers anywhere from 50 to 95 cents per minute to respond to the questions in the poll. The band brought a trademark infringement suit against the newspapers. Id. at 304-05. The Ninth Circuit held that, in cases "where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one[,] [s]uch minimal use of a mark—where the only word reasonably available to describe a particular thing is pressed into service—lies outside the strictures of trademark law." Id. at 308.

New Kids recognized that the newspaper's use of the name constituted a "fair use" because it was used to describe the plaintiff's product (i.e. the band), rather than its own (i.e. its reader polls).[12] Id. at 308. The Court reached this result even though New Kids had their own phone lines set up for their fans to call. Id. at 309. The Court specifically noted that the case differed from "the classic fair use case where the defendant has

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[11] In *No Fear, Inc.* v. *Imagine Films, Inc.*, the Court observed that subsequent Second Circuit precedent to Rogers had "effectively supplemented the Rogers test by applying the standard likelihood of confusion factors." 930 F. Supp. 1381, 1382 [38 U.S.P.Q.2d 1374] (C.D. Cal. 1995).

[12] See also *Fisher*, 794 F.2d at 435 (noting that Congress has recognized parody as a potential "fair use" activity in the context of copyright law).

used the plaintiff's mark to describe the defendant's own product." Id. at 308. Here, defendants have a colorable argument that their use of the term "Barbie" is about the product Barbie itself, rather than its own song. By describing the doll's "life in plastic" and the various ways consumers play with the doll ("you can brush my hair, undress me everywhere"), Aqua is arguably not speaking specifically about its own product, but rather about Mattel's. On the other hand, the title of Aqua's song, Barbie Girl, does incorporate the term "Barbie" as part of its name. The word's use in the title of the song may refer to both Mattel's product as well as MCA's.

The *New Kids* Court set out a three-part test to be "a commercial user . . . entitled to a nominative fair use defense":

> First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the use must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

***1413** Id. at 308. Defendants arguably can meet each of these three elements.

First, defendants cannot effectively parody or comment on the Barbie doll without mentioning her by name.[13] See id. at 306 (observing that "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, . . . or any other such purpose without using the mark"); see also Defs.' Opp'n at 16 ("A principle underlying message of Barbie Girl—having to do with the vacuous, 'plastic,' and frivolous lifestyle suggested by the doll and all of her possessions—

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[13] Plaintiff contends that " [d]efendants could have easily avoided the instant litigation" by calling their song "Bimbo Girl" or "Party Girl." (Pl.'s Reply at 1). This argument ignores that Aqua was attempting to parody Barbie, not just party girls in general.

simply could not be made nearly as effectively without evoking the Barbie doll iconography specifically. . . .").

Second, the song's use of the term "Barbie" is for purposes of parody. (Rasted Decl. at Paragraphs 10-14). Referring to Barbie as a "bimbo" living in plastic world, the song critiques the vacuous, party-girl image Barbie has acquired in some quarters. (See Lanham Decl., Para. 35). The repeated use of the words "Barbie" and "Ken," therefore, seem reasonably necessary for purposes of parody.

New Kids dealt specifically with the use of a celebrity's name; in this case, however, plaintiff also complains that the use of "Mattel's distinctive trade dress colors of white and BARBIE pink" on some versions of Barbie Girl CD and the video comes too close to the lettering used on Barbie doll packaging. (Pl.'s Am. Compl., Ex. 29); see also *New Kids*, 971 F.2d at 308 n. 7 (noting that a competitor could use a distinctive name such as "Coca-Cola" when comparing products but could not use Coca-Cola's "distinctive lettering"). Mattel admits that it is still in the process of applying "for federal trademark registration of the BARBIE name on a field of pink."[14/] (Pl.'s Mot. at 5). But see *Brunswick Corp.* v. *British Seagull Ltd.*, 35 F.3d 1527 [32 U.S.P.Q.2d 1120] (Fed. Cir. 1994) (holding that outboard motor company could not register the color black as its distinctive mark, partly on the grounds that other companies used black on their engines and that such use reflected a "competitive need"), *cert. denied*, 514 U.S. 1050 (1995). Although plaintiff fails to explain how the so-called "BARBIE pink" is different from the "pink" used on many products associated with young girls, the Court will consider briefly whether the use

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[14/] Even if Mattel's interest is in multiple colors, such as white lettering on a dark pink background (see Pl.'s Am. Compl., Ex. 29), defendant's packaging still differs significantly from Mattel's. See below.

of such coloring in the lettering on the Barbie Girl CD was 'reasonably necessary' under the *New Kids* test.[15/]

In general, the relatively thin lettering appearing on Barbie's packaging is solid white, slanted, and stylized; the background surrounding the lettering is pink, with images of flowers. (Pl.'s Am. Compl., Ex. 29). In contrast, Aqua's album has a blue, watery background and contains yellow lettering of all eleven songs. None of the songs' lettering is larger than the other, and in fact, pink-BARBIE pink or otherwise—does not appear anywhere on the front or back of the CD case.

Mattel's main complaint about lettering appears to be with Aqua's CD-single versions of the song, (see Pl.'s Am. Compl. at Ex. 31, 33, 35), which defendants claim are "no longer being made or sold by defendants." (Defs.' Opp'n at 21). Plaintiff, however, asserts that these versions are still being sold. (Pl.'s Reply at 1). Several versions use white or light pink block lettering for the title of the song; these letters have irregular borders and are outlined and shadowed in pink. At the top of every package of the CD are large, rounded blue letters spelling the word "Aqua"; these letters have a white and black outline, with an eye appearing within the letter "Q." (See Pl.'s Am. Compl. at Ex. 31, 33, 35). Whether use of pink and white was "reasonably necessary" in the context of lettering is a closer question, although pink is traditionally associated with femininity. Indeed, Mattel does not hold claim to the entire color pink. (See also Folkes Decl. Para. 15 ("Pink is a color associated with young girls generally and young girls' toys.")). To the extent feminine colors are associated with Barbie, defendants have a colorable argument that the use of pink was reasonably necessary, as Aqua may have difficulty evoking the images of the dolls it parodies because the band members do not resemble Barbie or Ken.

[15/] A comparison of packaging may be more relevant in evaluating the likelihood of consumer confusion under traditional trademark analysis, see discussion below.

Third, defendants' album identifies on its CD case that the song "is a social comment and was not created or approved by the maker of the doll," although this warning does not appear on all versions of the CD ***1414** single. This warning suggests that defendants attempted to disassociate themselves from Mattel, although they should have included it on all the CDs. Defendants have attempted to show that their song is not endorsed by Mattel.

As plaintiff points out, this warning is not displayed before radio and television performances of the song. However, the same is likely true of other songs invoking famous "celebrities," including the early 1980s hit song "Bette Davis Eyes." See *Rogers*, 875 F.2d at 999 (citing "Bette Davis Eyes" as an example of a title that includes "a well-known name without any overt indication of authorship or endorsement"). Although some people will believe that "these titles implicitly suggest that the named celebrity has endorsed the work or had a role in producing it, . . . the slight risk that such use of a celebrity's name might implicitly suggest endorsement or sponsorship to some people is outweighed by the danger of restricting artistic expression, and the Lanham Act is not applicable." Id. at 999-1000.

Defendants may have a viable defense under the *New Kids* standard, suggesting that plaintiff will be unlikely to succeed on the merits of its trademark infringement claims.

2. Likelihood of Confusion

Although the *New Kids* test may apply to this case, courts have traditionally used the likelihood of confusion test in the trademark context. Even if the likelihood of confusion test is the more appropriate one for evaluating plaintiff's claims, plaintiff cannot show that it is likely to succeed on the merits.

a. First Amendment Interests

The Second Circuit has observed that the possibility of confusion over two products must be "particularly compelling" to outweigh First Amendment interests raised when titles in-

voke popular figures to communicate a particular message.[16] *Twin Peaks Productions* v. *Publications Intern.*, 966 F.2d 1366, 1379 [27 U.S.P.Q.2d 1001] (2d Cir. 1993). Indeed, Mattel is mistaken when it claims " [t]here is no First-Amendment Defense under the Lanham Act" by citing *Dr. Seuss*. (Pl.'s Mot. at 21). The passage cited in *Dr. Seuss* only rejects a defendant's argument that a preliminary injunction in these type of cases constitutes a "prior restraint." See *Dr. Seuss*, 109 F.3d at 1403 n.11 (citing *Dallas Cowboys Cheerleaders, Inc.* v. *Pussycat Cinema, Ltd.*, 604 F.2d 200, 206 [203 U.S.P.Q. 161] (2d Cir. 1979) ("The prohibition of the Lanham Act is content neutral, and therefore does not arouse the fears that trigger the application of constitutional 'prior restraint' principles."). To the extent plaintiff relies on the language of *Dallas Cowboys*, that case has later been criticized because First Amendment rights "cannot be dispensed with by simply asserting that [plaintiff's] property right need not yield to the exercise of the first amendment rights." *L.L. Bean*, 811 F.2d at 29.

Dr. Seuss did hold, however, that "the cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement or dilution" and that the claim of parody can provide "no defense 'where the purpose of the similarity is to capi-

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[16] Although the Ninth Circuit has not specifically adopted the "particularly compelling" language used by the Second Circuit, a California district court has adopted this test. See No Fear, Inc., 930 F. Supp. at 1384.

As No Fear observed in 1995, "the Ninth Circuit has not yet addressed the confluence of First Amendment concerns and the Lanham Act." Id. at 1382 n.1. Although the 1997 *Dr. Seuss* opinion discusses the importance of parody under the First Amendment, the Ninth Circuit has not dealt directly with whether the likelihood of confusion factors must be particularly compelling to outweigh First Amendment interests.

Dr. Seuss involved a defendant attempting to claim it was parodying Dr. Seuss, when in fact it was simply copying his style, images, and even title for its own book about the O.J. Simpson trial. In contrast, defendants here only use the word "Barbie" and, in some lettering on some CDs, the colors pink and white. It never uses Barbie's likeness or image. Further, the song specifically targets Barbie for commentary.

talize on a famous mark's popularity for the defendants' own commercial use.'" Id. at 1405-06 (internal citations omitted). The Court added that " [i]n a traditional trademark infringement suit founded on the likelihood of confusion rationale, the claim of parody is not really a separate 'defense' as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to the source, sponsorship, or approval." Id. at 1405. Indeed, as the Second Circuit has noted, a successful parody "depends on lack of confusion to make its point." *Hormel Foods Corp.* v. *Jim Henson Productions, Inc.*, 73 F.3d 497, 503 [37 U.S.P.Q.2d 1516] (2d Cir. 1996).

Unlike the present case, the defendants in *Dr. Seuss* used the claim of "parody" in an attempt to avoid the fact that they were copying images and writing style from a famous children's book in order to satirize something completely different: the O.J. ***1415** Simpson trial. Defendants specifically copied the distinctive "stove-pipe hat" worn by a feline character from The Cat in the Hat, a book written by Dr. Seuss (nee Theodor S. Geisel). Defendants used the image numerous times throughout the book and also copied Dr. Seuss' "whimsical poetic style." Id. at 1397-98. After determining that the book was not a "fair use" under the copyright statute, id. at 1399-1403, the Court applied the eight-factor *Sleekcraft* test to determine "likelihood of confusion" for purposes of trademark infringement. Id. at 1403.

Drawing from Supreme Court precedent, the *Dr. Seuss* Court observed a distinction between "parody (in which the copyrighted work is the target) and satire (in which the copyrighted work is merely a vehicle to poke fun at another target)." Id. at 1400. The Court rejected defendants' fair use defense in the context of copyright infringement because the defendants appropriated Dr. Seuss' work, not to parody it, but rather to use it to satirize something entirely different. Id. at 1399-1401. The defendants' book did not hold Dr. Seuss' "style up to ridicule;" instead, it only copied elements of his Cat in the Hat books "'to

get attention' or maybe even 'to avoid the drudgery in working up something fresh.'" Id. at 1401.

Although plaintiff contends that Aqua used Barbie solely to gain attention, the object of its song is clearly the doll itself and the values it represents, rather than some other topic. Also, *Dr. Seuss* did not hold that all claims of "parody" as a defense were frivolous, just those that "solely capitalize[d]" on another's fame to satirize something completely different. Even if Aqua knew that parodying a popular product would attract favorable attention, this knowledge alone cannot erase their First Amendment interests in commenting on Barbie: if it did, then no relatively unknown group could criticize popular products because the accusation of trying to gain attention would always exist. The First Amendment's protections must apply even to those whose parodies target the strong, popular, or well-established. Defendants parody Barbie specifically and do not, like the *Dr. Seuss* defendants, merely use Barbie as a vehicle to satirize something else.

As the Ninth Circuit observed in *Dr. Seuss*, parody has "socially significant value as free speech under the First Amendment." Id. at 1400. Therefore, this Court will consider the effect on defendants' First Amendment interests when weighing the eight *Sleekcraft* factors. See *Twin Peaks Productions*, 996 F.2d at 1379; see also *No Fear, Inc.* v. *Imagine Films, Inc.*, 930 F. Supp. 1381, 1384 [38 U.S.P.Q.2d 1374] (C.D. Cal. 1995).

b. The Likelihood of Confusion Standard

The *Sleekcraft* factors include the following:

> (1) the strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (65) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product lines.

Dr. Seuss, 109 F.3d at 1404 (citing *Sleekcraft*, 599 F.2d at 348-49). These factors are not exhaustive, and the court may take into account "other variables . . . depending on the particular facts presented.'" Id. As mentioned above, this Court will take into consideration the First Amendment interests at stake in this case.[17]

Strength of the Mark. Defendants concede that the Barbie mark is strong, at least as to dolls and doll-related products.[18] Although "an undeniably strong mark" usually favor plaintiffs, it can also favor some defendants who poke fun at the mark because "a parody depends on a lack of confusion to make its point." *Hormel Foods*, 73 F.3d at 503. Here, the lyrics to the song refer to Barbie as a "blond bimbo." If Mattel is correct that its product has a "wholesome image," (see Pl.'s Mot. at 6), then consumers are even more likely to recognize Barbie Girl as a parody.

Proximity of Goods. Defendants contend that the Barbie line of products is primarily associated with dolls and doll-related products sold in stores selling toys, while Aqua's music is sold primarily at stores selling music. Plaintiff contends, however, that it sells ***1416** many different kinds of products associated with Barbie, including music-related goods. For example, in 1990 Mattel licensed the production of a compact disc of music entitled "Barbie: The Look," in which a singer adopts

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[17] See *Cliff Notes, Inc.* v. *Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 494 [12 U.S.P.Q.2d 1289] (2d Cir. 1989) (" [I]n deciding the reach of the Lanham Act in any case where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion."); see also *Dr. Seuss Enterprises*, 109 F.3d at, 1400; *Twin Peaks Productions*, 996 F.2d at 1379; *New Kids on the Block*, 971 F.2d at 307; *Rogers*, 875 F.2d at 998; *L.L. Bean*, 811 F.2d at 34; *Fisher*, 794 F.2d at 437-38.

[18] Plaintiff also contends that its white lettering on a pink background is a trade dress associated with Barbie products. (Pl.'s Reply at 8). Such colors, however, can be associated with many toy products aimed at young girls. (See, e. g., Rasted Decl., Ex. 10).

Barbie's persona. (McKenzie Decl. Para. 11(a), Ex. D). Mattel points to several unnamed compact discs, a tape called "Barbie Country Music Dancing with Me," a dance workout video, and an ice show involving a Barbie character. (Id. at Para. 11). In addition, Mattel refers to music-related toys, such as a miniature concert stage and music stores designed for the doll itself. (Id. at Para. 12). Plaintiff did not initially indicate whether these products were sold in music stores or departments, or whether they were still sold in 1997, when Aqua's album debuted.

In its reply brief, plaintiff argues that the Barbie Girl CD and the Mattel's Barbie music products "are currently being sold in the same departments of the same stores, including popular retail outlets such as the Virgin Megastore, Borders Books & Music, Costco Wholesale, Wal-Mart, and K Mart." (Pl.'s Reply at 9-10 (citing Grant Decl. Paragraphs 5-19)). To support this claim, plaintiff sent a paralegal to these stores to purchase the Aqua CD and to take photographs of the store departments displaying plaintiff's and defendants' respective products.

Although it appears that, in some cases, plaintiff's products are sold in the same stores as the Barbie Girl CD, this evidence does not show that any of plaintiff's products are sold in the music section of these stores, where defendants' CD is sold. For example, at a Wal-Mart store, plaintiff found Barbie computer software, a Barbie "CD player," and a "Workin' Out Barbie" doll with cassette.[19/] The Barbie Girl CD was also sold at the store. However, none of these Barbie products were sold in the music section; at best, the music and computer software was sold in different areas of an "electronics" department. (Grant Decl. at Paragraphs 5-8, Ex. K & L). Indeed, in all of the stores visited by the paralegal, plaintiff does not show one example where any of its Barbie-related products are sold in music departments, nor does it show that Barbie Girl is sold anywhere in

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[19/] The CD player, which includes four "CDs" and sells for $14.99, appears to be a toy. (See Grant Decl. at Ex. F & H).

these stores except with other music.[20] (See, e.g., id. at Paragraphs 2-10, 14-19; Ex. B-E, K-L, and M-R)).

Similarity of the Marks. The marks on defendants' product are not similar to Mattel's. Under Ninth Circuit precedent, courts are to analyze "the similarity of the marks . . . [by] view [ing] the marks as a whole, as they appear in the marketplace." *E. & J. Gallo Winery* v. *Gallo Cattle Co.*, 967 F.2d 1280, 1291 [21 U.S.P.Q.2d 1824] (9th Cir. 1992). Every Mattel product offered as an exhibit has an image of the Barbie or Ken doll on its packaging. In some cases, the packaging is transparent, revealing the actual doll. (First Am. Compl. Ex. 29; McKenzie Decl. Ex. C-I, K-M, O; Grant Decl. Ex. D-G, ~~L~~, P-R, V, W, BB, FF-II). None of Aqua's packaging has an image of any doll, whether resembling Barbie or not. All of Aqua's music CDs have a picture on their covers of the four band members, none of whom resemble Barbie or Ken.[21] (First. Am. Compl. Ex. 31, 33, 35, 37; Rasted Decl. Ex. 1-2; Grant Decl. Ex. B, C, K, N, O, T, U, V, Y, Z, AA, DD, EE; Rasted Decl. Ex. 1-2; Samuels Decl. Ex. B, E, G, I). Given the context in which these products

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[20] At Costco, Barbie computer software, in a heap of boxes on a table, are apparently displayed in the same long row as the Barbie Girl CD. (Ex. V). It is unclear from this exhibit, however, whether Costco is organized into departments in the same manner as other stores.

[21] After defendants filed their opposition, plaintiff provided this Court with a CD-ROM from Aqua that apparently includes a full-length video for Barbie Girl. This product does not have a picture of the band on its cover.

However, it is unclear from where this computer software was purchased (it has a "Made in England" sticker on it) or what its original packaging looked like. The cover of the CD-ROM case has big blue lettering of the words "Aqua" and pink lettering (not pink and white) of the words "Barbie Girl." It does not have an image of a doll on its front or back.

Plaintiff also provided a vinyl record of the song, with large lettering indicating the band AQUA. This record has a warning, in small lettering, that the song is a "social comment." Plaintiff does not indicate where this record was purchased.

are sold, it seems doubtful that many consumers would confuse the products based on packaging.

As to the other aspects of the packaging, each party refers to different versions of the Barbie Girl CD.[22] Defendants refer to an album, containing an eleven-song CD. The album cover is mostly blue with a picture of the band members on the front; it also has in large, rounded-block letters, "Aqua," and in smaller print, "Aquarium." On the back of the album, eleven song titles are listed, all in small-size yellow lettering. Barbie Girl is ***1417** listed as track number three and has an asterisk next it. This symbol refers to another asterisk below, which is next to a sentence in yellow warning that " [t]he song 'Barbie Girl' is a social comment and was not created or approved by the makers of the doll." The back of the album also identifies MCA as the copyright holder. This album is quite dissimilar from the style of packaging used on any of plaintiff's products.

Plaintiff refers to CD single versions of the song "Barbie Girl" that it contends have "Mattel's distinctive trade dress colors of white and BARBIE pink.[23] (Pl.'s Mot. at 17; see also Pl.'s Am. Compl. Ex. 29). Plaintiff has used these colors with its packaging for Barbie since at least 1992. (Pl.'s Mot. at 16).

In its amended complaint, plaintiff provides three examples of these CD singles, which include multiple versions or "remixes" of the song Barbie Girl. The packaging on all three versions has large blue lettering of the word "Aqua" on their front covers, as well as a picture of the four band members. (Pl.'s Am. Compl., Ex. 31, 33, and 35). None of the packaging includes an image of a doll of any kind. The CDs also include the

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[22] Mattel claims that Barbie Girl has "at least eight different infringing BARBIE GIRL musical products." (Pl.'s Reply at 10). Plaintiff does not list what these products are, however.

[23] As noted earlier, defendants submit that its single version of the song is no longer being made or sold by defendants. (Defs.' Mot. at 21). In its reply brief, plaintiff alleges seven versions of this single are still being marketed. (Pl.'s Reply at 11).

words "Barbie Girl" in smaller lettering at the bottom of the CD. "Barbie Girl" is in block letters, with irregular sides and shapes, and a dark pink outline. The center of the lettering is a light pink.

In contrast, the word "Barbie" on Mattel's products slants up and has slender, white lettering. (Id., Ex. 29). Defendants' lettering is bulkier and on a straight line. Further, defendant's packaging identifies MCA as the publisher of the music and does not use the word "Mattel" anywhere.

The fact the words "Barbie Girl" always appear next to the words "Aqua" on the packaging is significant in that it decreases the likelihood of consumer error and confusion. The context in which marks appear is important. See *Hormel Foods*, 73 F.3d at 503, 504 (noting that a character named "Spa'am" was always associated with the words "Muppet Treasure Island," decreasing the likelihood that consumers would confuse the Muppets' wild boar puppet with Hormel's meat product known as Spam).

The differences in packaging between Mattel and MCA's products set this case apart from the books at issue in *Dr. Seuss*. In that case, the offending book expropriated the image of a hat used in Dr. Seuss' books and placed it on the front and back cover of the product. *Dr. Seuss*, 109 F.3d at 1402. Here, however, the band does not use any images of the Barbie doll itself, and the name "Aqua" is always the largest lettering on the packaging. Plaintiff is unlikely to show that lettering of the marks are so similar as to cause consumer confusion.

As to the video, plaintiff claims that the set used mimics Barbie's accessories. As the band members look nothing like the dolls they spoof, however, using a set to evoke the subject matter of the parody seems appropriate under the circumstances. A parody, by definition, "needs to mimic an original to make its point." *Campbell* v. *Accuff-Rose Music, Inc.*, 510 U.S. 569, 80 [29 U.S.P.Q.2d 1961] (1994); see also *Fisher*, 794 F.2d at 435 n.2 ("To 'conjure up' the original work in the audi-

ence's mind, the parodist must appropriate a substantial enough portion of it to evoke recognition."). Given that the pretend Barbie has a tattoo and dark hair, and the pretend Ken has a clean-shaven head, viewers are unlikely to mistake these singers for Mattel's product.

Acutal Evidence of Confusion. Plaintiff points to several dozen e-mails that it received at its website in which individuals make reference to the "new Barbie song;" plaintiff also cites to a fax from an individual in the United Arab Emirates. (McKenzie Decl., Ex. R). However, several of the e-mails simply contain lyrics from the songs. Although a few ask if they can acquire the CD through the web site, others simply write to say that they enjoy the song, which may or may not mean that they believe Mattel is responsible for it. (Id.). These ambiguous e-mails are insufficient or at best very weak evidence of actual confusion.[24/]

***1418** Marketing Channels Used. Plaintiff asserts that Barbie Girl and Barbie dolls "directly compete in the same, virtually global marketplace" and are advertised through the "same media and commercial venues, including music and video

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[24/] Weston Anson, chairman of Trademark and Licensing Associates, relies on his Valmatrix method of calculation to show that confusion between the two products is "substantial." The validity of the outcome of those results depends on the accuracy of the data entered and the soundness of the methods used to calculate these factors' importance.

Mr. Anson apparently assumes "same or similar packaging trade dress," "similar channels of distribution," and "same consumer audience." (Anson Decl. Para. 11). However, there is clearly a dispute as to the validity of these assumptions. In addition, the objectivity of Mr. Anson's analysis becomes questionable when he refers to "additional factors" to support finding a likelihood of confusion, by stating that "the defendants clearly did not act in good faith . . . [because] [t]hey never contacted Mattel . . . before deciding to use the BARBIE trademark." (Id. Para. 38). It is unclear why this is relevant to showing confusion and why any parodist would first seek permission before parodying someone.

stores, the Internet, television and the radio."[25] (Pl.'s Mot. at 18). No widely marketed product lampooning Barbie could avoid such a broad reaching interpretation of this factor.[26] Parodists should not be exiled to less conspicuous venues simply to avoid using the same marketing channels as the objects they parody.

Degree of care of purchasers. The Court must also consider the type of goods and the degree of care likely to be exercised by the purchaser. Under this analysis, adults would presumably be less prone to confusion than young children.

Defendants assert that the consumers of their product are teenagers and adults, while Mattel's Barbie products are targeted toward three to ten-year-olds. (Folkes Decl. Para. 6). Plaintiff counters that the "typical buyer" of both products "is a young, unsophisticated person" who does not read the "tiny legend on the back of an inexpensive CD." (Pl.'s Mot. at 19, 11; see also Anson Decl. at 2 ("More than one billion BARBIE line dolls have been sold worldwide, principally to girls aged 3 to 11.")). At another point, plaintiff identifies its primary purchasers as adults who buy toys for their children or collectibles for themselves. (Pl.'s Reply at 16). It is unclear who the typical buyers of plaintiff's products are, making a comparison with defendant's purchasers difficult. Even if Mattel's customers made purchases as haphazardly as it claims, they likely would understand that the large letters "AQUA" on the CDs they are buying represented a musical pop group and not a toy manufacturer.

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[25] Plaintiff also contends that defendants "advertised and promoted their [song] . . . in a magazine with a subscription base consisting solely of collectors of and investors in Mattel's BARBIE brand products." (Pl.'s Mot. at 19).

[26] In its reply brief, plaintiff repeats its earlier claim that Barbie Girl is sold in the same departments of certain stores as plaintiff's products. Plaintiff does not explain how this claim relates to marketing channels.

As to the type of goods, although plaintiff has sold many different kinds of Barbie-related products over the years, it has not shown that is currently selling music, except for a few products that are sold as toys in toy departments and are often accompanied by one of plaintiff's dolls.

Defendants' Intent. Defendants claim that they choose the name "Barbie" not to confuse the public but rather to parody the doll and make a comment on the values it represents. (Defs.' Opp'n at 25; Rasted Decl. Para. 11 ("As I wrote the song, I knew that Barbie was a popular doll. . . . My intention was to use that imagery to evoke and comment on a Barbie world.'")). As to this element, plaintiff need not show that defendants "intended to deceive consumers." *Gallo Winery*, 967 F.2d at 1293. Still, the weight of this factor is diminished somewhat in the context of parody, as all parodists of consumer products "intend to select" the products' mark to make their comments. See also *Cliff Notes, Inc.* v. *Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490, 494 [12 U.S.P.Q.2d 1289] (2d Cir. 1989) (recognizing the need to balance First Amendment interests against likelihood of confusion, in part because it "allows greater latitude for works such as parodies, in which expression, and not commercial exploitation of another's trademark, is the primary intent").

Expansion of product lines. In its briefs, plaintiff refers to "Barbie Girl" products. However, the only product here is one song, Barbie Girl, which is sold in different forms and is performed by a new group that will be using totally different songs in its future productions. (See Rasted Decl. at Para. 17).

Conclusion. Under an analysis of the *Sleekcraft* factors, plaintiff is not likely to succeed in showing that consumers are confused between the Barbie doll-line of products and the Barbie Girl song, CDs, and video. In addition, the First Amendment concerns raised by prohibiting a parody of a popular consumer product weigh against granting a preliminary injunction. Presumably, some consumer confusion is inevitable when a few

people fail to realize that one product is parodying another. This fact should not be used to censor criticism of or social comments on icons in our popular culture, especially when the parodying product identifies itself with its own brand name, in this case "Aqua." See, e.g., *L.L. Bean*, 811 F.2d at 34 ("Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life would constitute a serious curtailment of a protected form of expression.").

C. Mattel's Trademark Dilution Claims

Plaintiff also bases its motion on both federal and state trademark dilution claims. ***1419** The Federal Trademark Dilution Act provides that

> The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.

15 U.S.C. Section 1123(c)(1) (West 1997). The Act also provides that the person accused of violating subsection (c) must have "willfully intended to trade on the owner's reputation or to cause dilution of the famous mark." Id. at Section 1125(c)(2). In addition, the Act exempts from its reach the "[f]air use of a famous mark by another person in comparative advertising or promotion to identify the competing goods or services of the owner of the famous mark[;] [n]oncommercial use of a mark[; and] [a]ll forms of news reporting and news commentary." Id. at Section 1125(c)(4). To prove dilution, a party need not show "the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception." Id. at Section 1127.

California's trademark dilution statute provides that "[l]ikelihood of injury to business reputation or of dilution of

the distinctive quality of a mark registered under this chapter . . . shall be ground for injunctive relief, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services." Cal. Bus. and Prof. Code Section 14330 (West 1997). The Ninth Circuit has held that California's anti-dilution law "is designed to protect against the gradual 'whittling away' of a trademark's value." *Academy of Motion Picture*, 944 F.2d at 1457.

Plaintiff claims that its famous mark is associated with wholesomeness and that defendants' "antisocial" song tarnishes that mark. More specifically, plaintiff argues that Barbie Girl supports "promiscuity, lewdness, and the stereotyping and denigration of young women." (Pl.'s Mot. at 25). Defendants contend that their speech falls within the "noncommercial use of a mark" exception to the federal statute and that First Amendment principles protect their use of the mark. See *L.L. Bean*, 811 F.2d 26 (applying First Amendment principles to state anti-dilution claim).

The fact Barbie Girl is sold for money is not dispositive as to whether the use of the mark is commercial. Id., cf. *New Kids*, 971 F.2d at 309 (holding that "[w]here . . . the use [of a mark] does not imply sponsorship or endorsement, the fact that it is carried on for profit and in competition with the trademark holder's business is beside the point" for purposes of trademark infringement). In *L.L. Bean*, the Court, in considering a state anti-dilution claim, found that the use of L.L. Bean's trademark in a monthly adult entertainment magazine was a noncommercial use because it was parodying an actual catalog produced by the plaintiff. 811 F.2d at 32. As the Court observed, the defendant had "not used Bean's mark to identify or market goods or services; it . . . used the mark solely to identify Bean as the object of its parody." Id. at 33. Likewise, in this case, defendants' use of the term "Barbie" appears to be for purposes of parody, rather than to sell knock-off Barbie products.

The *L.L. Bean* Court also rejected the argument that mere association of a trademark with "unwholesome or negative context" is enough to make a trademark dilution claim. Id. at 31; see also *New Kids*, 971 F.2d at 307 n.5 (observing that " [a] trademark may even be used lawfully in a way that many people, including the trademark owner, may find offensive"). Mattel attempts to compare Barbie Girl's relatively innocuous lyrics to more sexually explicit parodies, including the use of a plaintiff's cheerleading uniform in a pornographic move, *Dallas Cowboys*, 604 F.2d 200 [203 U.S.P.Q. 161], and graphic depictions of two Pillsbury trade characters engaged in sexual intercourse, *Pillsbury Co.* v. *Milky Way Productions, Inc.*, 215 U.S.P.Q. 124 (N.D. Ga. 1981). However, the works in these cases were pornographic, and plaintiff does not characterize Barbie Girl as being sexually explicit. Further, the *L.L. Bean* court distinguished the *Pillsbury* case, noting that the Georgia district court failed to consider whether parody might be a defense to a dilution claim, even though it was pornographic. 73 F.3d at 33 n.5. A First Amendment defense should also apply in contexts such as this case where the parody is less sexually explicit than that in *Pillsbury*. Indeed, nonobscene, sexual speech is "entitled to no less protection than other forms of expression," no matter how course, vulgar, or distasteful it may be to some. Id. at 34 (quoting *Fantasy Book Shop, Inc.* v. *City of Boston*, 652 F.2d 1115, 1126 (1st Cir. 1981)); see also *Fisher*, 794 F.2d at 437 (noting that a comic song about sniffing glue was "innocuous-silly perhaps, but surely not obscene or immoral," even though it parodied another, more famous tune).

Even if the use of the term "Barbie" is not exempted as a noncommercial use for purposes ***1420** of trademark dilution, the *L.L. Bean* Court warned that courts should still take into account First Amendment principles when evaluating such claims: Cases of "unauthorized uses of trademarks on products whose principal purpose is to convey a message . . . require a balancing of the harm suffered by the trademark owner against the benefit derived by the parodist and the public from the unauthorized use of a trademark on a product designed to

authorized use of a trademark on a product designed to convey a message." Id. at 32 n.4.

In this case, plaintiff's description of Barbie Girl as "lewd and lascivious" arguably stretches those terms. Even if the song were considered as vulgar as Mattel purports, it is a parody of the "party-girl" image Barbie may already have among some members of the general public. (See, e.g., Folkes Decl., Ex. 22). Absent stronger evidence that the song actually tarnishes Barbie's image, plaintiff is unlikely to succeed on its trademark dilution claims.[27]

V. Irreparable Injury and the Balance of Hardships

Plaintiff has failed to show that it is likely to succeed on its trademark infringement and dilution claims. Nor does it appear that the balance of hardships "tips sharply" in its favor. *Big Country Foods*, 868 F.2d at 1088.

CONCLUSION

For the foregoing reasons, this Court DENIES plaintiff's motion for a preliminary injunction. The Court also DENIES plaintiff's and defendants' motions to strike each other's supporting declarations.

IT IS SO ORDERED.

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[27] Plaintiff cites the Ninth Circuit's Academy of Motion Picture case to support its state law dilution claim. 944 F.2d 1446 [19 U.S.P.Q.2d 1491]. In that case, a company produced a gold- colored award statute almost identical to the famous Oscar awards given each year. Id. at 1449-50. The "only significant differences between the two [were that] the Star Award is two inches shorter than the Oscar, and holds a star rather than a sword." Id. Unlike that case, defendants have not copied Barbie's design as a doll or even any of the music Mattel puts out under her name. Defendants are parodying Barbie, not "whittling away" at consumers' ability to distinguish between competing brands.

APPENDIX C

United States District Court
Central District of California

MATTEL, INC., a Delaware corporation,
Plaintiff,
v.
MCA RECORDS, INC., a California corporation, et al.,
Defendants.

No. CV 97-6791-WMB (RNBx)
[28 F. Supp. 2d 1120]

Aug. 3, 1998

ORDER GRANTING DEFENDANTS' MOTION FOR SUMMARY JUDGMENT AS TO ALL CLAIMS, GRANTING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT AS TO DEFENDANTS' COUNTERCLAIM, AND DENYING DEFENDANTS' MOTION TO DISMISS

WM. MATTHEW BYRNE, Jr., District Judge.

In March, 1997, a Danish musical group known as "Aqua" released in Europe an eleven-song album, *Aquarium.* This album included a song entitled *Barbie Girl,* in which a woman and man assume the identities of two popular Mattel dolls known as Barbie and Ken. Defendants claim this song parodies the popular toys, with the singers referring to Barbie as a "blond bimbo girl" who loves to party and whose "life is plastic." *Barbie Girl* quickly became a hit in Europe and later was released in the United States, ***1126** where the *Aquarium* album sold over 1.4 million compact discs (CDs) and cassettes.

On September 11, 1997, Mattel filed suit in this Court, bringing eleven claims[1] against MCA and other defendants.[2] Defendants, in turn, filed a counterclaim for defamation. On February 19, 1998, this Court denied plaintiff's motion for a preliminary injunction, on the grounds that it was not likely to succeed on the merits.[3]

Defendants now move for summary judgment; they also seek to dismiss the foreign defendants for lack of subject matter jurisdiction, personal jurisdiction, and forum non conveniens.

Plaintiff moves for summary judgment as to defendants' counterclaim for defamation and request reconsideration of the Court's earlier Order denying a preliminary injunction. Although plaintiff did not file a formal cross-motion for summary judgment on its own claims, during the hearing on April 30, 1998, plaintiff's counsel orally requested that the Court grant summary judgment for Mattel rather than defendants.

At the hearing, the Court advised the parties that, because the pre-trial and trial dates were approaching, it would issue a brief order on the motions, followed by this more detailed order.

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[1] The claims are (1) trademark and trade dress dilution (under state and federal law), (2) trademark infringement, (3) false designation of origin and false description, (4) statutory and common law unfair competition, (5) unfair competition under the Paris Convention, (6) wrongful use of a registered mark; (7) common law misappropriation; (8) common law passing-off and disparagement; (9) common law unjust enrichment; (10) contributory trademark and trade dress dilution (under state and federal law), and (11) contributory trademark and trade dress infringement.

[2] Mattel did not sue the musical group Aqua.

[3] Mattel's proposed preliminary injunction asked that this Court enjoin defendants from manufacturing, producing, or distributing the *Barbie Girl* song. It also requested that this Court require defendants to "dispos[e] or destroy[ ] any product or its packaging, which uses Mattel's BARBIE trade name." (Pl.'s Proposed Order at 3).

I. MCA'S MOTION TO DISMISS FOREIGN DEFENDANTS

MCA Records is a California corporation that sells Aqua's album in the United States. Universal Music & Video Distribution Inc. is a New York corporation that distributes the album in the United States. This Court's jurisdiction over those two defendants is not contested. Three foreign defendants have also been sued by Mattel, and those three defendants have filed a motion to dismiss the case against them for lack of personal jurisdiction. All three foreign defendants are affiliated members of the Universal Music Group. (Pl.'s Ex. H.) All three have an active and on-going relationship with each other. (Cacciatore Dep.; Bowen Dep.)

Universal Music A/S is a Danish corporation ("Universal Denmark"). Aqua recorded the album in Denmark and is party to a recording agreement with Universal Denmark that gives Universal Denmark the worldwide rights to the Aqua album. Universal Denmark has a preexisting agreement with MCA Records that gives MCA the rights to Aqua and other bands for distribution in all countries except Denmark. Universal Denmark collects a license fee for all sales of the album in the United States. MCA Music Scandinavia A/B ("MCA Scandinavia") is a Swedish corporation. Through an agreement with Universal Denmark, it owns the music publishing rights to the words and the music of the *Barbie Girl* song. It receives money from the sale of Aqua's album anywhere in the world, including those sold in the United States. (Ingestrom Dep. at 40-42.)

Universal Music International, Ltd. ("UMI") is a British holding company that has no rights to the song or to the album. It acts to coordinate information among various international, affiliated companies. However, it does coordinate the release of various musical products by its affiliates all over the world, including in the United States. (Bowen Dep. at 18-23.) Universal Music International then helps "coordinate touring activities and promotional activities" of the released records, including

Aqua in the United States and elsewhere around the world. (*Id.* at 31.) It also sent the *Barbie *1127 Girl* video to MCA in the United States. (*Id.* at 35.) UMI worked with Universal Denmark to market the Aqua album in the United States and rest of the world. (*Id.* at 42-71.)

A. LIMITED JURISDICTION[4/]

The Ninth Circuit has adopted "the following three-pronged approach to analyzing limited jurisdiction: (1) The nonresident defendant must do some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections of its laws. (2) The claim must be one which arises out of or results from the defendant's forum-related activities. (3) Exercise of jurisdiction must be reasonable." *Pacific Atlantic Trading Co.* v. *M/V Main Express,* 758 F.2d 1325, 1327 (9th Cir.1985).

The Ninth Circuit utilizes seven factors under the third prong of the limited jurisdiction test to determine whether the exercise of jurisdiction is reasonable. *See Insurance Co. of North America* v. *Marina Salina Cruz,* 649 F.2d 1266, 1270 (9th Cir.1981). The following seven factors are relevant: "(A) the extent of the purposeful interjection into the forum state; (B) the burden on the defendant of defending in the forum; (C) the extent of conflict with the sovereignty of defendant's state; (D) the forum state's interest in adjudicating the dispute; (E) the most efficient judicial resolution of the controversy; (F) the importance of the forum to plaintiff's interest in convenient and effective relief; and (G) the existence of an alternative forum." *Id.*

[4/] Plaintiff also contends that the foreign defendants are subject to general jurisdiction in the United States. Plaintiff has not shown that the foreign defendants have had sufficiently continuous or systematic contacts to warrant general jurisdiction.

1. Purposeful Availment

Defendants argue that the foreign defendants have no offices, employees, property, or agents in the forum, and they have not conducted any business in the forum. Defendants rely on *Asahi Metal Indus. Co.* v. *Superior Court,* for the proposition that "the placement of a product into the stream of commerce, without more, is not an act of the defendant purposely directed toward the forum state." 480 U.S. 102, 112, 107 S. Ct. 1026, 94 L. Ed. 2d 92 (1987).

Defendants also rely on *Rano* v. *Sipa Press, Inc.,* 987 F.2d 580 (9th Cir.1993). In *Rano,* the plaintiff-copyright licensor of photographs sued a French licensee, asserting jurisdiction on the basis that the licensee knew that plaintiff's photographs ultimately would be distributed in California due to the licensee's sub-licensing of the photographs to various magazines. *Id.* at 583-84. The Ninth Circuit rejected an argument that would render all "foreign owners of art who sell their products to publications amenable to personal jurisdiction in every state in which their art is eventually displayed." *Id.* However, this case is distinguishable. The three foreign defendants did more than merely have their music product end up in California by happenstance. There were cross-licensing agreements between all of the members of the Universal Group. A coordinated plan existed among of all of the defendants to distribute the *Barbie Girl* song around the world, including the United States.

For example, the artwork for the *Barbie Girl* recording was delivered to MCA in Los Angles by Universal Denmark in conjunction with the single's release in the United States. (Wheeler Dep. at 45.) Universal Denmark also has exported single versions of the song to the United States. (*Id.* at 63-64; Cacciatore Dep. at 105.)

UMI coordinated the release of Aqua's album with all of the Universal affiliates around the world, including the United States. (Bowen Dep. at 16.) UMI helps determine which Universal record label, if any, should release a specific album into

the United States. (*Id.* at 23.) As part of that process, UMI sent promotional copies of the *Barbie Girl* video to MCA in the United States. (*Id.* at 35.)

Universal Scandinavia operates under a sub-licensing agreement in the United States. (Ingestrom Dep. at 39.) Thus, under ***1128** this sub-publishing agreement, Universal Scandinavia would receive royalties for each Aqua album sold in the United States. (*Id.* at 41.) There would also be royalty payments for each time a song was played on the radio. (*Id.* at 41-42.) MCA Scandinavia sent albums to the United States to their affiliates in the United States for publicity in the hopes of getting the Aqua album used in commercials or other commercial ventures. (*Id.* at 46-49.)

All of the above contacts show sufficient purposeful availment of the United States by the foreign defendants. The district court cases upon which defendants rely are also distinguishable. In none of them do the defendants actually intend for their activities to have any effect in the forum. Here, the foreign defendants had an intent to affect the forum. Their licensing agreements, and coordination of the release strategies for the Aqua album, coupled with their sending of promotional products to the forum, suggest purposeful availment of the forum.

2. Claim Arises from Forum Activities

Defendants argue that the foreign defendants have no meaningful forum-related activities with respect to the claims in this lawsuit. Defendants contend that the foreign defendants do not manufacture, sell or distribute the album in the United States. However, the foreign defendants' conduct facilitates the activities that occurred in the United States. If plaintiff's claims are true, then the foreign defendants participated actively in the scheme that brought the *Barbie Girl* song to the United States.

3. Exercise of Jurisdiction Is Reasonable

a. Extent of Purposeful Interjection into Forum

Defendants rely on *FDIC* v. *British-American Ins. Co.* for the proposition that a contract is an insufficient basis to establish purposeful interjection into the forum. 828 F.2d 1439, 1443 (9th Cir.1987). However, in *FDIC,* the governing law of the contract was expressly not the law of the forum, and there were no activities in the forum other than using a forum bank to handle the one-time transaction. *Id.* In this case, there was far more activity directed at the forum than mere temporary physical presence, as in *FDIC.* The contacts with the forum included the sending of promotional singles of *Barbie Girl* into the U.S., and the coordinating of the release of the album in the U.S., as well as receiving royalties from sales of the album in the U.S. Such contacts constitute far more contact than the "random" or "fortuitous" contact envisioned in *FDIC.*

b. Burden on Defendants to Defend in Forum

Defendants rely on the Ninth Circuit's claim that "we have held that litigation against an alien defendant requires a higher jurisdictional barrier than litigation against a citizen from a sister state." *Rano,* 987 F.2d at 588. Defendants further argue that witnesses and documents are in Europe, which means that the California forum is burdensome. However, the Ninth Circuit has also noted that "the burden of litigating in a foreign forum has become less significant as a result of advances in communication and transportation." *FDIC,* 828 F.2d at 1444. Thus, while it may be somewhat of a burden for the foreign defendants to defend in California, it does not appear to be unreasonably so.

c. Extent of Conflict with Sovereignty of Defendants' Respective States

Defendants argue that Danish and Swedish trademark remedies are more limited than those available under U.S. law, and judgements in the U.S. are unlikely to be enforced in either country. "Although not a dispositive consideration, a foreign

nation presents a higher sovereignty barrier than another state within the United States." *Id.* at 1444. Plaintiff notes that there is no parallel foreign action so there is no risk of inconsistent verdicts. In addition, such a conflict is not dispositive, or else legal action against foreigners in U.S. courts would almost always be prohibited. "Sovereignty concerns weigh more heavily when the defendants have no United States based relationships." *Core-Vent* v. *Nobel Indus.*, 11 F.3d 1482, 1489 (9th Cir.1993). In this case, the fact that all of the foreign defendants are wholly-owned subsidiaries of Universal, and the fact that they have all directed actions at ***1129** the forum state, make the exercise of jurisdiction reasonable.

d. Forum State's Interest

Defendants argue that the forum state's interest can be secured merely by proceeding against the two U.S. defendants. Plaintiff claims that Mattel and Universal Studios are both domiciled in California. Plaintiff also points to the fact that most documents and witnesses are located in the forum. Defendants claim that the foreign defendants' allegedly infringing conduct occurred outside the forum: However, as discussed previously, the foreign defendants engaged in conduct directed at the forum, and were a part of the allegedly infringing conduct that took part in the forum. "California maintains a strong interest in providing an effective means of redress for its residents who are tortuously injured." *Id.*, 11 F.3d at 1489. Since Mattel is a California resident, California has an interest in resolving this dispute.

e. Efficient Judicial Resolution

"In evaluating this factor [the Ninth Circuit] has looked primarily at where the witnesses and the evidence are likely to be located." *Id.* Defendants claim that all of its employees are located in Europe, so it would be difficult to bring them to the forum for trial. Plaintiff claims that the majority of witnesses and documents are located in the forum. Both sides provide

only conclusory statements here, so it is difficult to evaluate their respective positions.

f. Importance of Forum to Plaintiff's Interest in Relief

While plaintiff would prefer to litigate in California because it is domiciled there, that is not dispositive. Wherever this case is litigated, some parties will have less convenience than others. Plaintiff argues that since its case raises U.S. trademark law, it is more convenient to have a U.S. court, who is familiar with U.S. law, hear the case. This factor does not tilt the balance either way.

g. Existence of Alternative Forum

Defendants claim that Mattel has the burden to prove that there is not an alternative forum. *See Amoco Egypt Oil Co.* v. *Leonis Navigation Co.*, 1 F.3d 848, 853 (9th Cir.1993). Defendants argue that plaintiff could bring this suit in Denmark or Sweden. However, as plaintiff points out, defendants go to great pains to argue that there would be no cause of action in this case in either Sweden or Denmark under their law. Thus, there does not appear to be an alternative forum for this type of trademark suit.

4. Conclusion

This Court has personal jurisdiction over the foreign defendants. The foreign defendants are wholly-owned subsidiaries of Universal, and they have participated in numerous actions directed at the forum state in this case.

B. LANHAM ACT EXTRATERRITORIALITY

In order to apply the Lanham Act to foreign commerce "first, there must be some effect on American foreign commerce; second, the effect must be sufficiently great to present a cognizable injury to plaintiffs under the federal statute; and third, the interests of and links to American foreign commerce must be sufficiently strong in relation to those of other nations to justify an assertion of extraterritorial authority." *Star-Kist Foods, Inc.* v. *P.J. Rhodes & Co.*, 769 F.2d 1393, 1395 (9th

Cir.1985). The third element involves seven factors: "the degree of conflict with foreign law or policy, the nationality or allegiance of the parties and the locations or principal places of business of corporations, the extent to which enforcement by either state can be expected to achieve compliance, the relative significance of effects on the United States as compared with those elsewhere, the extent to which there is explicit purpose to harm or affect American commerce, the foreseeability of such effect, and the relative importance to the violations charged if conduct within the United States as compared with conduct abroad." *Id.*

1. Effect on American Foreign Commerce

Defendants rely on *Zenger-Miller, Inc.* v. *Training Team, GmbH,* 757 F. Supp. 1062 (N.D. Cal.1991). In *Zenger-Miller,* the defendant was a German corporation that conducted no business in the United States, ***1130** such that the Court found that the effect on U.S. commerce was minimal, as plaintiff felt most of the effects in its European business. *Id.* at 1071. Defendants claim that the foreign defendants in this case made money from activities in foreign counties targeted at foreign consumers, and not from targeting consumers in the U.S.

Zenger-Miller is distinguishable because in this case, the foreign defendants have directed activity at the United States and have derived profits from their activities in the United States. Plaintiff notes that the Ninth Circuit does recognize that "the Lanham Act provides a broad jurisdictional grant that extends to all commerce which may lawfully be regulated by Congress." *Ocean Garden, Inc.* v. *Marktrade Co.,* Inc., 953 F.2d 500, 503 (9th Cir.1991). The court also noted that "the sale of infringing goods in a foreign country may have a sufficient effect on commerce to invoke Lanham Act jurisdiction." *Id.* In this case, the foreign defendants participated in activities resulting in sales of *Barbie Girl* in the United States, as well as abroad. Jurisdiction therefore exists.

2. Effect Great Enough to Present Cognizable Injury

Defendants argue that any injury suffered by plaintiff would be suffered abroad. However, plaintiff argues that defendants' conduct has caused plaintiff injury in the United States. As long as there is "monetary injury in the United States" to plaintiff, then there is a "cognizable [claim] under the Lanham Act." *Id.* at 503. In this case, the foreign defendants' actions have caused an injury in the United States, sufficient to establish jurisdiction by allegedly infringing plaintiff's trademark.

3. Interests of American Commerce Sufficiently Strong

a. Degree of Conflict with Foreign Law

Defendants argue that under Danish law, plaintiff would have a more difficult time making its claim for trademark infringement or unfair competition. (Madsen Dec.) In addition, a U.S. judgement would not be enforceable in Danish courts. (*Id.*) Defendants argue that the same would be true in a Swedish court. *See Blimpie Int'l, Inc.* v. *ICA Menyforetagen AB,* 1997 WL 143907 (S.D.N.Y.1997). Plaintiff claims that this fact is irrelevant because it is not proceeding under foreign trademark law, but rather is seeking to enforce U.S. trademark law.

Plaintiff argues that since there is no current foreign proceeding, there can be no conflict with foreign law. The Ninth Circuit has noted that if "there are no pending proceedings" abroad, then it would not "be an affront to the foreign country's sovereignty or law." *Ocean Garden,* 953 F.2d at 503. Since there are no proceedings currently in Sweden or Denmark, and because the conduct complained of impacts the U.S. market, there is no real sovereign conflict.

b. The Nationality or Allegiance of the Parties

In this case plaintiff is a California corporation and the foreign defendants are not. However, the foreign defendants are very closely related to the U.S. defendants because they are all owned by the same corporate entity and act as each others' agents.

c. Extent by Which Enforcement by Either State Achieves Compliance

Defendants argue that this Court's ruling would not be enforceable abroad. However, plaintiff is seeking damages and injunctive relief relating to activities within the U.S., which would be enforceable. Plaintiff is not seeking relief for defendants' sales of the *Barbie Girl* song in Europe; it is only seeking relief for United States sales. This Court could enforce its order against the foreign defendants' activities that target the U.S.

d. Relative Significance of Effects on the United States

Plaintiff claims that there has been a significant harm in the U.S. because of the high number of albums sold. There is certainly enough harm alleged to show significance of harm in the U.S.

e. Purpose to Harm or Affect U.S. Commerce

Defendants claim that they have caused no effect in the United States. However, the ***1131** evidence suggests that defendants have engaged in activities targeting the United States.

f. Foreseeability of Such Effect

Since the other factors come out in plaintiff's favor, defendants' actions were thus foreseeable. *See id.* at 504.

g. Relative Importance to Violations Charged

Plaintiff is a U.S. corporation, and has been harmed in the United States. That is sufficient for this factor. *See id.*

4. Conclusion

There have been sufficient activities geared toward the United States, and sufficient impact in the United States for there to be a cause of action under the Lanham Act.[5]

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[5] Plaintiff also claims jurisdiction under the Paris Convention. However, the Court finds that there is no private cause of action under the Paris Convention.

C. FORUM NON CONVENIENS

"A party moving to dismiss on grounds of forum non conveniens must show two things: (1) the existence of an adequate alternative forum, and (2) that the balance of private and public interest factors favors dismissal. This showing must overcome the great deference due plaintiffs because a showing of convenience by a party who has sued in his home forum will usually outweigh the inconvenience the defendant may have shown." *Lockman Foundation* v. *Evangelical Alliance Mission,* 930 F.2d 764, 767 (9th Cir.1991). Ordinarily the requirement of an alternative forum is satisfied if "the defendant is amenable to process in the other jurisdiction." *Id.* at 768. However, the requirement may not be satisfied "in rare circumstances where the remedy offered by the other forum is clearly unsatisfactory." *Id.* "Private interest factors include: ease of access to sources of proof; compulsory process to obtain the attendance of hostile witnesses, and the costs of transporting friendly witnesses; and other problems that interfere with an expeditious trial." *Id.* at 769. "Public interest factors encompass court congestion, the local interest in resolving the controversy, and the preference for having a forum apply a law with which it is familiar." *Id.* at 771.

1. Existence of an Adequate Alternative Forum

Defendants contend that plaintiff could litigate its claims in Denmark, Sweden or Great Britain where it claims to have trademark registration. Plaintiff contends that this case involves conduct that occurred in the United States. Therefore, those claims should be litigated in the U.S.

2. Balance of Private and Public Interest Factors

Plaintiff points out that the Ninth Circuit has cautioned that "unless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed." *Gates Learjet Co.* v. *Jensen,* 743 F.2d 1325, 1334-35 (9th Cir.1984).

a. Private Interest Factors

Defendants argue that since *Barbie Girl* was created and initially packaged in Denmark, and since the foreign defendants activities were limited to Europe, that the balance of private factors tilts toward requiring that the case be prosecuted in Europe. In addition, all witnesses and documents relating to the foreign defendants are located in Europe. There will be a high cost to bringing witnesses from Europe, and this Court cannot compel witnesses from Europe to appear in Court. Finally, defendants contend that any judgement in this Court would not be enforceable in Sweden or Denmark.

The Ninth Circuit has also recognized that while a U.S. citizen has no absolute right to sue in a U.S. forum, "a plaintiff's choice of forum is entitled to greater deference when the plaintiff has chosen the home forum." *Jensen*, 743 F.2d at 1335. Here, Mattel, a citizen of California, is suing in its home forum.

Additionally, the Ninth Circuit requires district courts to consider "that trial preparation had progressed nearly to the point of trial" when attempting to determine whether trial in the U.S. is "more easy, expeditious and inexpensive" than trial abroad. *Id.* at 1335. Here, most discovery has been completed, ***1132** and the foreign defendants have been actively participating in the case in this Court. Thus, it does not make sense to dismiss them on the eve of trial.

Finally, in looking at where witnesses are located, the court must "keep in mind that the increased speed and ease of travel and communication makes ... no forum as inconvenient today as it was in 1947." *Id.* at 1336. Additionally, the Court should consider not merely the number of witnesses and their locations, but the "materiality and importance of the anticipated witnesses' testimony." *Id.* at 1335.

b. Public Interest Factors

Defendants contend that plaintiff has unnecessarily complicated this case with the addition of the foreign defendants,

which contributes to a congested court system. California has little interest in resolving any claims against the foreign defendants. Finally, defendants argue that the issue of whether they infringed any trademarks should be determined under the law of the country where the conduct took place, in Europe.

The Ninth Circuit has recognized that U.S. courts have an interest in "protecting its companies from trademark infringement abroad to preserve the state's economic vitality." *Id.* at 1336. In examining the court's docket "the real issue is not whether a dismissal will reduce a court's congestion but whether a trial may be speedier in another court because of its less crowded docket." *Id.* at 1337.

In short, there has not been a sufficient showing to overcome the presumption that plaintiff's choice of forum is the appropriate one.

II. DEFENDANTS' MOTION FOR SUMMARY JUDGMENT

A. STANDARD OF REVIEW

Rule 56(c) of the Federal Rules of Civil Procedure provides that a court shall grant a motion for summary judgment if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). Facts are deemed "material" if a dispute over them "might affect the outcome of the suit under the governing law." *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 91 L. Ed. 2d 202 (1986).

The moving party has the burden of demonstrating the absence of a genuine issue of fact for trial. *Id.* at 256, 106 S. Ct. 2505. If the moving party satisfies this burden, Rule 56(e) provides:

> When a motion for summary judgment is made and supported as provided for in this rule, an adverse party may not rest upon the mere allegations or denial of the

> adverse party's pleading, but the adverse party's response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If the adverse party does not so respond, summary judgment, if appropriate, shall be entered against the adverse party.

Fed. R. Civ. P. 56(e).

In addition, summary judgment is appropriate, "after adequate time for discovery and upon motion, against the party who fails to make a showing sufficient to establish the existence of an element essential to the party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp.* v. *Catrett,* 477 U.S. 317, 322, 106 S. Ct. 2548, 91 L. Ed. 2d 265 (1986). "The mere existence of a scintilla of evidence in support of the [opposing party's] position will be insufficient." *Anderson,* 477 U.S. at 252, 106 S. Ct. 2505.

B. EVIDENTIARY OBJECTIONS

1. The Cogan Survey

Plaintiff submitted with its opposition a survey, prepared by Dr. Sandra Cogan, which includes the responses of 556 individuals interviewed in person at ten shopping malls in six states and purports to show actual confusion among consumers.[6/] Defendants ***1133** object that the survey is inherently biased with leading questions and that it is excludible as improper opinion testimony under Federal Rule of Evidence 703.

The Ninth Circuit has held that "surveys are to be admitted as long as they are conducted according to accepted principles." *E. & J. Gallo Winery* v. *Gallo Cattle Co.,* 967 F.2d 1280, 1292 (9th Cir.1992). "Technical unreliability goes to the weight ac-

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[6/] The individuals surveyed included men 14 to 49 years of age and women 6 to 49 years of age "who have listened to English language rock/pop music on the radio, watched an English language rock/pop music video station on television, and/or bought an English language rock/pop tape or CD in the past year." (*Id.,* Ex. C, at 14-15).

corded a survey, not its admissibility." *Id.* (quoting *Prudential Ins. Co.* v. *Gibraltar Fin. Corp.*, 694 F.2d 1150, 1156 (9th Cir.1982)). The mere presentation of a survey purporting to show confusion, however, does not itself create a triable issue of fact. *See Universal City Studios, Inc.* v. *Nintendo Co.*, 746 F.2d 112, 118 (2d Cir.1984) (finding a survey "so badly flawed that it cannot be used to demonstrate the existence of a question of fact on the likelihood of consumer confusion.").

In *Gallo,* the district court admitted a survey in which participants were shown photographs of defendant's cheese label and asked a series of questions, the first being what company "puts out this cheese." The other two questions asked participants to identify what other products they thought were made by the company they identified in their first answer. *Id.* The survey found forty percent of participants were confused nationally, with 47% confused in California. *Id.* at 1292-93. *See also Henri's Food Products Co.* v. *Kraft, Inc.*, 717 F.2d 352, 357-58 (7th Cir.1983) (finding that the survey question, "who do you think puts out [the product] shown here," to be valid, "[a]lthough the phraseology may not be the best way to ask the question").

The Cogan survey includes a number of questions that circuits courts have found to be inherently leading or biased and therefore should be given little if any weight as evidence of actual confusion. In addition, the few neutral questions presented by the survey show only a minimal amount of consumer confusion. *Cf. Universal City,* 746 F.2d at 118 ("[T]he fact that there may be a few confused consumers does not create a sufficiently disputed issue of fact regarding likelihood of confusion so as to make summary judgment improper.").

Survey participants either watched a video or listened to an audio recording of the song. They were then asked what the music video or music "is about." Cogan did not tally the answers of the participants, although an independent review of the

participants' answers reveals that about 421, or 76%, of the individuals explicitly identified the song as about Barbie.[7]

The survey conductors then showed either the CD album or the CD single to the participants and asked to "look at this music CD as though you were in a store and thinking about buying a music CD today." (Cogan Decl., Ex. C, at 11). The survey takers then asked the following question:

> "3. Who or what company, if any, do you think is connected with or gave permission for the music video and CD (the music CD) you just saw?"[8]

If a name was given, participants were then asked why they thought that and what other products were put out by that named company. By Cogan's count, 20% answered Universal/MCA/Aqua/ or Barbie Girl, 17% answered Barbie/Mattel, 6% answered Music/Entertainment Co., and 47% answered that they did not know.

It is unclear from the results of this question how many individuals who answered Mattel thought the company was "connected" with the song and how many thought the company gave its permission. The use of the term "connected with" is not relevant in the context of parody, as parodies evoke the object that they are poking fun of and therefore ***1134** are often linked or connected to that object in the public's mind.[9] *See*

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[7] Defendants state that 80 percent of those surveyed thought the song was about "Barbie." (Defs.' Objections at 4).

[8] Defendants claim that the third question is leading and suggestion, because the participants are more likely to assume from the prior question that there is a connection or that permission is required because the survey-takers are asking about it.

[9] A claim for federal trademark infringement arises when a person's use of a symbol or word "is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person." 15 U.S.C. § 1125(a)(1)(A) (1998).

Prudential Ins., 694 F.2d at 1156 (holding that the exclusion of a survey, which showed 14-31 percent of the public identified plaintiff's logo with defendant's, was not prejudicial error "because the survey showed only that the Prudential rock [logo] and the Gibraltar rock [logo] are linked in the public eye"); *see also Campbell* v. *Acuff-Rose Music, Inc.*, 510 U.S. 569, 114 S. Ct. 1164, 127 L. Ed. 2d 500 (1994) (observing that parody in the copyright context "can claim legitimacy for some appropriation" of the original work on which it comments).

The next question (# 5) was "who or what company or companies do you think put out the music video and CD (music video) you just saw." Twenty-one (21)% said Universal/MCA/Aqua or Barbie Girl; 4% said Mattel or Barbie; 11% said a Music/Entertainment Co.; and 60% said that they did not know. These results indicate substantially less confusion than seen in the *Gallo* survey.[10] *See* 967 F.2d at 1292-93.

In calculating her results, Cogan inexplicably combines the responses from question three (17.4%) and question five (2.3%)[11] to find that 20% of the respondents "though Mattel or

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The term "connection," however, has multiple meanings and its use in a survey question raises issues of what respondents mean when they agree that two products are "connected." For example, Blacks' Law Dictionary defines the word "connect" to mean, alternatively, "to associate as in occurrence or in idea" and "to establish a bond or relation between." Black's Law Dictionary 302 (6th ed., 1990). All parodies make associations between the parody and the objects of the parody, yet that does not mean the viewers or listeners also believe that a relationship or bond exists between the maker of the parody and the maker of the object being parodied.

[10] Defendants argue that question five, standing alone, would be appropriate. *See Gallo*, 967 F.2d at 1292 (valid survey's first question was "what company puts out" defendant's product). It also contends that there is no case in which only four percent confusion has been found to create a triable issue of fact.

[11] It is unclear from where the 2.3% figure came, as Cogan's summary lists 4% of respondents answering "Mattel/Barbie" to question five.

'Barbie' was the source, connected with, or gave permission for the 'Barbie Girl' music video and/or music CD." (*Id.* at 17). It is unclear why Cogan combines the answers to questions three and five, as both questions were asked to all 556 participants. Cogan points to no evidence that the individuals in question three who thought Mattel was connected with the song were a different group of people than the smaller number in question five who thought Mattel put out the music video and CD.

Universal City is instructive on this point. In that case, plaintiff asked survey participants whether "the Donkey Kong game [was] made with the approval or under the authority of the people who produce the King Kong movies?" 746 F.2d at 118. The Court criticized the question, among other reasons, because "the above-mentioned inquiry was an obvious leading question in that it suggested ***1135** its own answer. The participants were presented with the Donkey Kong-King Kong connection rather than permitted to make their own associations.... A survey question which begs its answer cannot be a true indicator of the likelihood of consumer confusion." *Id.* For

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The Cogan survey conductors then asked the following series of questions:

> 7a. Do you associate the Barbie Girl name with any other products?
> 7b. What products do you associate the Barbie Girl name with?
> 7c. Do you associate the Barbie Girl name on the CD package with the Barbie doll?
> 7d. Do you think the company which owns the Barbie doll brand gave its permission to use the Barbie name on the music CD package?

(Cogan, Ex. C, at 19). To the last question, 39% of respondents answered yes to the last question, 51% answered no, and 10% were not sure. The validity of the results from this leading question is undermined, however, by the fact that, when asked a relatively more neutral question (who is connected with or gave permission for this music), only 17% identified Mattel or Barbie.

the same reasons, this Court will not give weight to question "7d" as evidence of actual confusion.[12]

Defendants object that the survey is fatally flawed. They claim that the very first question, asking what the song was about, polluted the survey because the song is clearly about Barbie and therefore the survey takers "implanted" the Barbie response in the respondent's minds. (Defs.' Obj. at 4). Defendants note that most of the survey respondents indicated that the song was about Barbie—a result that is not surprising as the song is a parody of the doll. (*See* discussion below).

Defendants also object that plaintiff did not use a control group to take account of those respondents who are confused "regardless of the stimuli present."[13] *See Winning Ways, Inc.* v. *Holloway Sportswear, Inc.*, 913 F. Supp. 1454, 1475-76 (D.Kan.1996) (discounting survey showing 48-58 percent confusion where the survey contained only "numbers that had not been adjusted to account for noise in the market"). Defendants further argue that the single presented to the participants was the Danish version of the song (which lacks the disclaimer) rather than the American version, which has the disclaimer.[14] (See Defs.' Obj. at 10 (citing Cogan Decl., Ex. C, at 272)).

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[12] In addition, a series of questions such as 7a-7d may "contaminate the respondent's mind ... to give answers by preceding questions." *Henri's Food Products*, 717 F.2d at 357 (quoting testimony of expert and agreeing that survey was biased).

[13] Plaintiff responds in a supplemental declaration that, to counter "noise" in the survey, the Cogan survey-takers made follow-up calls to twenty-five percent of respondents to verify that they had participated in the survey. (Cogan Supp. Decl. at ¶ 4).

[14] Plaintiff responds that, because defendants would not provide a version of the single originally sold in the United States in August, 1997, "the only BARBIE GIRL CD single recordings available in the U.S. marketplace when Dr. Cogan conducted her survey in January and February of this year were import versions." (Pl.'s Reply, [Renewed] Mot. for Prel. Inj., at 13). Plaintiff does not specify where in the U.S. marketplace these songs were

Although the survey contains flaws, "technical unreliability" goes to the weight the Court is to afford the survey, rather than its admissibility. *Gallo,* 967 F.2d at 1292. In evaluating plaintiff's case, the Court can consider these flaws when considering the multiple factors of the likelihood of confusion test.

2. The Luther Telephone Survey

Plaintiff also seeks to introduce a survey designed by one of its employees, Sujata Luther, the head of Mattel's Worldwide Consumer and Sales Research department. This survey of 1009 girls ages 5 to 18 years old purports to show that 77% of girls ages 8 to 10 and 49% of girls ages 5 to 7 had heard the song. It also claims that 52% of 5 to 10 years olds like the song "a lot," while only 20% of 11 to 18 year olds liked it "a lot." (Pl.'s Opp'n at 11; Pruetz Decl., Ex. I). However, the survey's relevance is unclear: whether young girls like the song does not demonstrate that they are confused over the trademark. As to showing the age of MCA's consumers, the survey does not indicate whether these listeners are likely to be the actual purchasers of this music.[15/] Presumably, many parents buy toys and music products for their younger children, and plaintiff presents no evidence that more easily impressionable children, rather than adults, are the individuals who are buying the products at issue here.

3. Other Objections

Plaintiff objects to the declarations of Valerie Folkes, Richard Lanham, Soren Rasted, and Astrid Hansen in their entirety and to portions of the declarations of Bruce Wheeler and Jeffrey Goldman. Plaintiff argues that ***1136** Lanham's credentials as a literary consultant are irrelevant "because Mattel did not bring suit against Aqua for the lyrics of its song." (Pl.'s

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sold, although it appears they were purchased over the Internet and imported into this country. (*See* Samuels Supp. Decl., Ex. J-T).

[15/] As to ownership of the song, the survey shows that 14% of the girls owned the song. (Pruetz Decl., Ex. I, at 267). Of those individuals, 74wned the album *Aquarium* and 26% owned the single *Barbie Girl.* (*Id.* at 268).

Obj. at 2). This objection is without merit. Lanham's testimony relates to the meaning of the song's lyrics and its place among other parodies of plaintiff's doll.

Plaintiff objects to the Folkes Declaration because Folkes has "no experience in evaluating the merits of trademark infringement or dilution claims" and she apparently made certain factual errors in her declaration. (*Id.* at 3). Folkes, a marketing professor, provides some helpful testimony, however, regarding the widespread use of pink among products targeting young girls.

As to Hansen's declaration, plaintiff objects because he translates a Danish- language radio interview that plaintiff asserts is irrelevant and that includes comments made by a European Mattel official who stated publicly that the company was "all for" the song because it was "funny and good." (*Id.* at 4; *see also* Rasted Decl. at ¶ 14). However, the interview also contains comments by the songwriter about the meaning of the song, which relates to parody.

As to Rasted, the individual who wrote *Barbie Girl,* plaintiff claims that he has been unavailable for a deposition because he has been traveling overseas, "under contract to defendants."[16/] (*Id.* at 5). Despite this, however, plaintiff has managed to produce in its opposition evidence that it claims contradicts Rasted's testimony regarding the meaning of the song. In addition, to exclude his testimony might potentially limit defendants' ability to explain the meaning of their own songs, although the lyrics themselves indicate that the song is a lighthearted comment on the dolls Barbie and Ken. (*See* discussion below).

The Court will not exclude the objected-to declarations.

[16/] Defendants have likewise accused plaintiff of making it difficult to interview some of *its* overseas witnesses.

C. *BARBIE GIRL* AS PARODY

The crux of plaintiff's argument is that defendants have misappropriated the Barbie trademark by using the word "Barbie" in the song *Barbie Girl* and its video. Plaintiff claims that this song will lead to confusion among consumers and harm to the Barbie product line itself. Defendants respond, however that Barbie is an icon in American culture and that their alleged parody of her is protected by the First Amendment.

"The inquiry into the protected status of speech is one of law, not fact." *Connick* v. *Myers,* 461 U.S. 138, 148 n. 7, 103 S. Ct. 1684, 75 L. Ed. 2d 708 (1983); *see also Rendish* v. *City of Tacoma,* 123 F.3d 1216, 1223 (9th Cir.1997), *reh'g en banc denied,* 134 F.3d 1389 (9th Cir.1998). In this case, this Court must determine whether the song at issue constitutes a parody, thereby raising important First Amendment interests. *See Dr. Seuss Enterprises, L.P.* v. *Penguin Books,* 109 F.3d 1394, 1400 (9th Cir.) (observing that parody has "socially significant value as free speech under the First Amendment"), *cert. denied,* 521 U.S. 1146, 118 S. Ct. 27, 138 L..Ed. 2d 1057 (1997); *L.L. Bean, Inc.* v. *Drake Publishers, Inc.,* 811 F.2d 26, 28 (1st Cir.) ("Parody is a humorous form of social commentary and literary criticism that dates back as far as Greek antiquity."), *cert. denied,* 483 U.S. 1013, 107 S. Ct. 3254, 97 L. Ed. 2d 753 (1987); *Fisher* v. *Dees,* 794 F.2d 432, 437- 38 (9th Cir.1986) (" 'Destructive' parodies play an important role in social and literary criticisms and thus merit protection even though they may discourage or discredit an original author.").

As a threshold matter, the fact a parody makes a profit does not strip it of protection under the First Amendment. The Supreme Court has held that speech "is protected [by the First Amendment] even though it is carried in a form that is 'sold' for profit, and even though it may involve a solicitation to purchase or otherwise pay or contribute money." *Virginia State Bd. of Pharmacy* v. *Virginia Citizens Consumer Council,* 425 U.S. 748, 761, 96 S. Ct. 1817, 48 L. Ed. 2d 346 (1976) (cita-

tions omitted). As the Tenth Circuit observed in analyzing the ***1137** First Amendment rights of trading cards that parodied famous sports players,

> [W]e see no principled distinction between speech and merchandise that informs our First Amendment analysis. The fact that expressive materials are sold neither renders the speech unprotected, nor alters the level of protection under the First Amendment. [Plaintiff] need not give away its trading cards in order to bring them within the ambit of the First Amendment.[17]

Cardtoons L.C. v. *Major League Baseball Players Ass'n,* 95 F.3d 959, 970 (10th Cir.1996). Nor does a for-profit parody have to identify itself clearly as a parody. As the Supreme Court observed, "[p]arody serves its goals whether labeled or not, and there is no reason to require parody to state the obvious (or even the reasonably perceived)." *Acuff-Rose,* 510 U.S. at 583 n. 17, 114 S. Ct. 1164.

In the song *Barbie Girl,* two singers (one female, one male) adopt the names of "Barbie" and "Ken" and sing about their "life in plastic." The names "Barbie" and "Ken" also apply to two popular plastic dolls owned by the plaintiff. A portion of the lyrics sung by Lene Grawford Nystrom, who adopts Barbie's persona, includes the following:

> I'm a Barbie girl, in a Barbie world; life is plastic; it's fantastic
>
> You can brush my hair, undress me everywhere.
>
> Imagination; Life is your Creation....
>
> I'm a blond bimbo girl, in a fantasy world.
>
> Dress me up, make it tight. I'm your dolly....

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[17] As Samuel Johnson noted, "No man but a blockhead ever wrote, except for money." *Acuff-Rose,* 510 U.S. at 584, 114 S. Ct. 1164 (quoting 3 Boswell's Life of Johnson 19 (G. Hill ed.1934)).

Rene Dif, who plays Ken, sings the refrain, "Come on Barbie; Let's go party," throughout the song, which lasts just over three minutes.

Although the singers adopt the names of the dolls, they do not adopt their likeness, either on the album cover or in the related video. The lead singer impersonating Barbie, Nystrom, has dark hair and a tattoo on her arm. The male singer, Dif, has a clean-shaven head. Neither of these singers match the usual images of Barbie as a blond young woman or Ken as a young man with a full head of hair.

Plaintiff describes the song as containing "adult-oriented lyrics" that are inconsistent with Mattel's "wholesome image." Plaintiff specifically objects to phrases sung by the pretend Barbie such as "undress me everywhere," "I'm a blond bimbo girl, in a fantasy world"; "you can touch, you can play, if you say 'I'm always yours,'" and "make me talk, do whatever you please, I can act like a star, I can beg on my knees." Plaintiff also objects to Ken's lyrics, which include "kiss me here, touch me there, hanky panky" and "come jump in, bimbo friend, let use do it again, hit the town, fool around, let's go party."

Mattel's distaste for the song's alleged message, of course, cannot alone justify silencing speech critical of its product. *Cf. New Kids on the Block* v. *News America Publishing, Inc.*, 971 F.2d 302, 307 (9th Cir.1992) (noting the potential for injury to public discourse if individuals cannot refer to specific trademarks in their social commentaries). Indeed, parody "inevitably offends others" because it so often "ridicule[s] sacred verities and prevailing mores." *L.L. Bean*, 811 F.2d at 28; *see also Dr. Seuss*, 109 F.3d at 1400 n. 8 (noting that courts should "not take into account whether [an alleged parody] is in good or bad taste").

Plaintiff asserts that this song is not about the doll at all and that therefore cannot be a parody.[18] A review of the song and video, ***1138** however, demonstrates that the singers are poking fun at Barbie, whom they repeatedly refer to throughout the song.[19] The lyrics spoof the unrealness of Barbie, referring to what many children apparently do with their dolls, including dressing and undressing them, brushing their hair, and making them walk and talk.[20] (*See, e.g.*, Lanham Decl., ¶ 38). In the video, the pretend Ken pulls the pretend Barbie's arm off; the singers, playing with a fake-looking arm, appear to be poking fun at the fact that Barbie, like all dolls, can be taken apart by her more adventuresome owners. (*See id.* at ¶ 45). In addition, the song's lyrics appear to target for parody a woman who is like Barbie—i.e. a Barbie Girl—one who is plastic, unreal, and easily manipulable by others.

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[18] *But see* Pl.'s Second Am. Compl. at ¶ 29 (noting that "one of the vocal tracts is sung by Lene Grawford Nystrom, who is called and assumes the role of the 'Barbie' in the song"); Pl.'s Mot. for Prel. Inj., at 7 (stating that, "[i]n the song, a promiscuous BARBIE doll sings in a flirtatious tone" and that "[a] licentious KEN doll responds 'kiss me here, touch me there'"); *id.* at 8 (referring to defendants' "overt references to Mattel's BARBIE doll"); Pl.'s Opp'n to S.J. at 7 (referring to the "promiscuous BARBIE" and "licentious KEN" in the song); *id.* at 8 ("The video features the Ken doll dismembering the Barbie doll by pulling off her arm.").

[19] Courts routinely review songs and other forms of speech to determine if they are parodies. *See Acuff-Rose*, 510 U.S. at 582, 114 S. Ct. 1164 ("We have less difficulty in finding [the] critical element in 2 Live Crew's song than the Court of Appeals did, although having found it we will not take the further step of evaluating its quality."); *Fisher*, 794 F.2d at 436 ("Although we have no illusions of musical expertise, it was clear to us that [defendant's] version [of a song] was intended to poke fun at the composers' song, and at [the original singer's] rather singular vocal range.").

[20] Indeed, in a book copyrighted by Mattel about Barbie, the introduction states that "the first thing most children want to do to a doll is take off her clothes." (Rasted Decl., Ex. 15, at 113). It further notes that Barbie, a "buxom fashion queen[,] is often a creature tortured for effect. Her head pops off, fits back on, and does a 360- degree rotation." (*Id.* at 116).

The song's fast tempo and the singers' exaggerated performances of their respective characters suggest that the lyrics are not to be taken too seriously. As to the meaning of the lyrics, Soren Rasted—a member of Aqua and the song's "primary writer"—states that he wanted "to compose a humorous song about the 'Barbie fantasy *world.*'" (Rasted Decl., ¶ 11) (emphasis in original). Rasted has explained in interviews that the song was about more than just the Barbie doll itself but also its "status[,] like the royal family, which is not to be tampered with." (*Id.* at ¶ 14). The fact that the criticism is light-hearted, rather than heavy-handed, does not lessen the speech's First Amendment protections. *See Cardtoons,* 95 F.3d at 969 (observing that parody trading cards "are no less protected [as speech] because they provide humorous rather than serious commentary"); *see also Winters* v. *New York,* 333 U.S. 507, 510, 68 S. Ct. 665, 92 L. Ed. 840 (1948) (observing that speech that is entertainment is also protected by the First Amendment because "[t]he line between the informing and the entertaining is too elusive for the protection of that basic right").

Plaintiff cites several interviews with band members, in which they make statements such as "[t]he song isn't about the doll. We're making fun of the glamourous life," and "[w]e don't mean to harm the doll."[21] (*See* Pruetz Decl., Ex. F4-F5, at 231, 234). Mattel asserts that the song is not about parodying

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[21] Over the objection of defense counsel, plaintiff asked the senior vice president of marketing and sales at MCA Records, Jayne Simons, about her view of the meaning of the song. Simons stated that she believed "the song was just sort of a fun song about a guy and a girl on a date" and that she was not reminded of the Barbie doll when she listened to it. (Healy Decl., Ex. D, at 162:14-16, 163:8). Plaintiff fails to explain, however, how the views of this individual are relevant, when the lyrics of the song clearly poke fun at Barbie and Ken, the dolls. In addition, a review of plaintiff's own survey data shows that 76% of those questioned thought that the song was about Barbie. (Cogan Decl. at 36-77).

Barbie and therefore plaintiff cannot claim the protection of the First Amendment.[22]

Mattel, however, ignores other comments made by the band members in interviews, in which they state that they wanted "to make Barbie the kind of girl you think of, very high, very childish," (Pruetz Decl. at F3) and the comments of the song's writer that the song "is about a Barbie doll, but like most of our songs there is a deeper significance to it. Not that we have to be taken dead seriously, but the Barbie doll has a certain status like the royal family, which is not to be tampered with." (Rasted Decl., ¶ 14; *id.*, Ex. 8 at 49 ***1139** (quoting Dif as saying that *Barbie Girl* is a "happy song with humor and irony")). Indeed, the song's writer has stated repeatedly that he was inspired to write the song after riding his bike past a kitsch exhibit of Barbie dolls in his native Denmark. (Pruetz Decl, Ex. F5, at 234; Rasted Decl., ¶¶ 9-10). In addition, he noted the song is "not the normal duets we do on our albums, it's more like role playing."[23] (*Id.*).

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[22] Mattel even suggests that the song could have been entitled "Party Girl," thereby avoiding any references to its product. This argument ignores that the song's lyrics poke fun at Barbie the doll and women like Barbie, not just "party girls" in general.

[23] Mattel's claim that the song has nothing to do with the doll is further undermined by the very press articles from which it selectively quotes. For example, a September article in *Billboard* magazine described the song as "a quirky look at the Barbie doll and her pal Ken. Rene Difs [*sic*] raps as a frisky Ken, framing Lene Nystrom's itsy-bitsy voice of a vapid Barbie. The ironic humor and catchy melody comes through as the two play off each other." (Pruetz Decl., Ex. F1, at 221). *See also* Ex. F2 at 225 (describing the song as "a playfully naughty Euro-dance ditty on the private whims and desires of our plastic pal and her male mainstay, Ken").

Other member of the press, including music reviewers, have viewed the song as critical of the doll. *See, e.g.*, Rasted Decl., Ex. 8 at 38 (referring to the song as "a criminally funny sonic riff on the overendowed queen of pop culture"); *id.* at 41 (implying that the song "tart[s] up Barbie"); *id.* at 45 (describing the song as "ambiguous enough to be taken both as tribute to and criticism of the Barbie life" and as "demeaning to plastic dolls"); *id.* at 46

From the lyrics of the song and the various comments by the Aqua band members, it appears that song was intended to parody both the doll itself *and* the shallow, plastic values she has come to represent in some circles.[24] Indeed, this song is not the first time that Mattel's product has been talked about because of its cultural significance: the doll "has been seen as feminist and anti-feminist; as seductive and as wholesome; as intelligent and as a 'dumb blond.' Barbie has been hailed as a role model and condemned as the cause of eating disorders." (Defs.' Mot. at 3).

Nor is this the first song to tweak the wholesome image that Mattel wants for its doll.[25] Plaintiff dismisses such criticism of its product as simply the view of a "few extremists," but this argument only emphasizes the fact that individuals disagree about the meaning and values associated with the doll (Pl.'s Opp'n at 7 n. 17)—a fact recognized in a book put out under Mattel's copyright just a few years ago.[26] Indeed, the

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("Aqua pokes fun at icon"); *id.* at 49 (quoting Mattel spokesman who claimed the song "portrays Barbie in a very negative and sexual manner"); *id.* at 54 (describing lyrics as "suggestive" and "tongue-in-cheek").

[24] *See, e.g.*, Folkes Decl., Ex. 14 (listing about 70 articles and 13 books on the cultural significance of Barbie). The commentary on the doll includes such titles as "Barbie: Doll, Icon or Sexist Symbol" and "My Mentor, Barbie."

[25] Defendant identifies at least ten "Barbie" songs in current release, including "More Beautiful than Barbie," by The Jesus Lizard; "Bitterness Barbie," by Lunachicks; "The Wreck of the Barbie Ferrari," by John Hiatt; "Kenbarbielove," by Men Without Hats; and "Barbie," by David Wilcox. (Folkes Decl., Ex. 6).

The lyrics of these songs often contain disparaging comments regarding the doll, some more critical or vulgar than those in *Barbie Girl*. For example, Lunachicks question whether Barbie would be as popular if she had a mastectomy, age spots, or varicose veins. (*Id.* at 73). David Wilcox sings that Barbie "found a higher power over at Betty Ford, It was a vibrator and a ouija board." (*Id.* at 72).

[26] In 1994, Mattel copyrighted a book entitled *The Art of Barbie* that discusses the image Barbie has acquired. (Rasted Decl, Ex. 15, at 113, 116).

Ninth Circuit recently observed that the Barbie trademark was an example of a fanciful mark that has "add[ed] to the splendor of our language by giving us new ways to express ourselves." *Dreamwerks Prod. Group, Inc.* v. *SKG Studio,* 142 F.3d 1127, 1132 (9th Cir.1998). The Court noted that, just as a "[l]ousy, mindless work is a McJob," and "[a] quick fix is a Band-Aid[,] Glitz and ditz make for a Barbie World." *Id.*

***1140** Plaintiff makes the mistaken assumption however, that to warrant First Amendment protection, the song can only be about the doll and that if it has meaning beyond the doll, defendants are stripped of their First Amendment interests. Plaintiff purportedly bases this argument on the Ninth Circuit's decision in *Dr. Seuss,* in which the Court observed a distinction between "parody (in which the copyrighted work is the target) and satire (in which the copyrighted work is merely a vehicle to poke fun at another target)." 109 F.3d at 1400. The Court made this distinction in the context of copyright infringement, in which the defendants' book copied the distinctive "stovepipe hat" worn by a feline character from *The Cat in the Hat,* a children's book written by Dr. Seuss (nee Theodor S. Geisel). Defendants used this image numerous times throughout the book and also copied Dr. Seuss' "whimsical poetic style." *Id.* at 1397-98. The Court rejected defendants' fair use defense on the grounds that they had appropriated Dr. Seuss' work, not to parody it, but rather to use it to satirize something entirely different—the O.J. Simpson trial. *Id.* at 1399-1401. The book did

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In the introduction, Jill McCorkle variously describes the doll as a "a buxom fashion queen," "a dream goddess," and "a sophisticated grown-up doll, a recipient of fantasies that involved far more than motherhood." (*Id.* at 113, 116). McCorkle also notes that she "often found Barbie to be a rather controversial topic" and that she admits that she has "in recent years found myself defending Barbie" because of the doll's unrealistic body proportions. (*Id.* at 115-116). Finally, McCorkle admits that "despite popular belief, ... there is no preordained role for Barbie, no 'guide to being a bimbo' that comes with the box." (*Id.* at 116). This book recognizes that the Barbie doll has different meanings to different people, not all of which are necessarily positive or wholesome.

not hold Dr. Seuss' "style up to ridicule"; instead, it only copied elements of his *Cat in the Hat* books " 'to get attention' or maybe even 'to avoid the drudgery in working up something fresh.'" *Id.* at 1401.

This case differs significantly from *Dr. Seuss.* First, unlike the copyright dispute in *Dr. Seuss,* Mattel's trademark infringement case is based on defendant's use of the word "Barbie." *See also Rogers* v. *Grimaldi,* 875 F.2d 994, 998 (2d Cir.1989) ("Because overextension of Lanham Act restrictions in the area of titles [of artistic works] might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict."). Defendants do not use the image of the Barbie doll anywhere on their album, nor do the singers make themselves appear to look like the dolls Barbie and Ken, unlike the *Dr. Seuss* defendants' use of Geisel's images and writing style. Instead, they invoke the name of "Barbie," poking fun at *both* her and the plastic values she represents. Plaintiff's broad reading of *Dr. Seuss* would eviscerate the use of brand names as metaphors for the values they have come to symbolize; only songs and books that poke fun at the product *and nothing else* would receive First Amendment protection under plaintiff's interpretation. This approach would conflict with binding precedent on the protection afforded to expressive works such as parodies. *See Acuff-Rose,* 510 U.S. at 581, 114 S. Ct. 1164 (observing that "parody often shades into satire when society is lampooned through its creative artifacts" and that individual parodies need to be assessed on a case-by-case basis); *Fisher,* 794 F.2d at 437-38. As the *New Kids* Court observed, "[m]uch useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademarks." 971 F.2d at 307; *see also Girl Scouts of U.S.* v. *Bantam Doubleday Dell Publishing Group,* 808 F. Supp. 1112, 1119 (S.D.N.Y.1992) ("To prevent filmmakers, novelists, painters, and political satirists from including trademarks in their works is to cordon off an important part of mod-

ern culture from public discourse."), *aff'd*, 996 F.2d 1477, 1478 (2d Cir.1993) (affirming "substantially for the reasons" given in the lower court's "careful opinion").

As the *Dr. Seuss* Court itself observed, "[p]arody is regarded as a form of social and literary criticism, having a socially significant value as free speech under the First Amendment." *Dr. Seuss*, 109 F.3d at 1400. Courts have observed that songs are also "indisputably works of artistic expression" deserving of First Amendment protections. *Rogers*, 875 F.2d at 997; *see also Fisher*, 794 F.2d 432. Because this Court finds that the song *Barbie Girl* is a parody, it will also consider defendants' First Amendment interests in commenting on a popular brand name when evaluating plaintiff's trademark infringement claims.

D. INFRINGEMENT CLAIMS

Plaintiff argues that the song *Barbie Girl* infringes upon its federal trademark in the name "Barbie" and that the song title will likely confuse consumers into believing that the song is part of the Barbie product line. Defendants respond that plaintiff exaggerates ***1141** the reach of its trademark and cannot silence song parodies that poke fun at its product simply because they use the word "Barbie" in their title or lyrics.

The Lanham Act provides that

> Any person who shall, without the consent of the registrant—
>
> (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering in sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive ... shall be liable in a civil action by the registrant....

15 U.S.C. § 1114(1)(a) (West 1997).

The Ninth Circuit has observed that the purpose of trademark has "remained constant and limited: Identification of the manufacturer or sponsor of a good or the provider of a service." *New Kids,* 971 F.2d at 305. Trademarks represent "a limited property right in a particular word, phrase, or symbol." *Id.* at 306. It does not allow trademark holders to censor or silence all discussion of their products that they find annoying or offensive. *Cf. id.* at 307 (discussing loss to social discourse if speakers cannot make reference to a product by using its trademark). Before applying trademark law to this case, however, the Court will consider whether the song's references to Mattel's doll fall outside the trademark context as a fair use of the term "Barbie."

1. The *New Kids* Standard

Generally, the Ninth Circuit applies an eight-factor "likelihood of confusion standard" to both common law and federal statutory trademark infringement. *See Dr. Seuss,* 109 F.3d at 1403-04; *AMF Inc.* v. *Sleekcraft Boats,* 599 F.2d 341, 348-49 (9th Cir.1979); *but see Cliffs Notes, Inc.* v. *Bantam Doubleday Dell Publishing Group, Inc.,* 886 F.2d 490, 495 n. 3 (2d Cir.1989) (noting that this multifactor test is "at best awkward in the context of parody, which must invoke the original and constitutes artistic expression"). However, in *New Kids on the Block,* the Ninth Circuit recognized that the "nominative use of a mark—where the only word reasonably available to describe a particular thing is pressed into service—lies outside the strictures of trademark law." 971 F.2d at 308; *see also In re Dual-Deck Video Cassette Recorder Antitrust Lit.,* 11 F.3d 1460, 1467 (9th Cir.1993) (holding that VCR manufacturer's descriptive use of the term "VCR 2" was a fair use as a matter of law). The Ninth Circuit applies a fair use test, rather than the likelihood of confusion test, in cases "where the use of the trademark does not attempt to capitalize on consumer confusion or to appropriate the cachet of one product for a different one[,][s]uch minimal use of a mark—where the only word reasonably available to describe a particular thing is pressed in service—lies outside the strictures of trademark law." 971 F.2d at 308.

The *New Kids* case involved two newspapers that conducted polls by phone about readers' reactions to the musical group New Kids on the Block. The papers set up "900" numbers and charged their readers anywhere from 50 to 95 cents per minute to respond to the questions in the poll. The band brought a trademark infringement suit against the newspapers. *Id.* at 304-05.

New Kids recognized that the newspaper's use of the name constituted a "fair use" because it was used to describe the plaintiff's product (i.e. the band) rather than its own (i.e. its reader polls). *Id.* at 308. The Court reached this result even though the band had their own phone lines for their fans to call. *Id.* at 309. The Court specifically noted that the case differed from "the classic fair use case where the defendant had used the plaintiff's mark to describe the defendant's own product." *Id.* at 308.

Here, defendants' use of the term "Barbie" refers to the doll and the values it has come to represent. By describing the doll's "life in plastic" and the various ways young consumers play with the doll ("you can brush my hair, undress me everywhere"), the band Aqua is not speaking specifically about its own product, but rather is commenting on and parodying Mattel's. Although the title of the song, *Barbie Girl,* also refers to the product sold by defendants, the use of the term "Barbie" in this context describes a type of girl—one who is vacuous, unreal, and ***1142** plastic. As noted earlier, the term "Barbie" has acquired a variety of cultural associations, not all of which are positive. The use of the term plays directly upon these associations. *Cf. Acuff-Rose,* 510 U.S. at 580, 114 S. Ct. 1164 ("[T]he heart of any parodists claim to quote from existing material is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's work").

The *New Kids* Court set out a three-part test for a "commercial user ... [to be] entitled to a nominative fair use defense":

> First, the product or service in question must be one not readily identifiable without use of the trademark; second, only so much of the mark or marks may be used as is reasonably necessary to identify the product or service; and third, the use must do nothing that would, in conjunction with the mark, suggest sponsorship or endorsement by the trademark holder.

Id. at 308. Defendants meet each of these three elements.

First, defendants cannot effectively parody or comment on the Barbie doll without mentioning her by name.[27] *See id.* at 306 (observing that "it is often virtually impossible to refer to a particular product for purposes of comparison, criticism, ... or any other purpose without using the mark"); *see also* Rasted Decl. at ¶ 11 (noting that the songwriter's intent was "to compose a humorous song about the 'Barbie fantasy world.'"); Defs.' Mot. at 24 ("A principal underlying message of *Barbie Girl* —having to do with the vacuous, 'plastic,' and frivolous lifestyle suggested by the doll and all of her possessions—simply could not be made without evoking the Barbie doll iconography.").

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[27] Plaintiff's assertion that Aqua should have referred to the song as "Party Girl" misses the point—the word "Barbie" conveys a whole set of meanings, including an image of a party girl. As noted earlier, even Mattel arguably has recognized, in a book put out under its copyright, that the doll has acquired multiple cultural meanings, not all of which are positive. (Rasted Decl, Ex. 15).

In addition, the *New Kids* court noted that "one might refer to 'the two-time world champions' or 'the professional basketball team from Chicago,' but it's far simpler (and more likely to be understood) to refer to the Chicago Bulls." *Id.* at 306. Likewise, defendants correctly observe that it is far simpler for the singers to refer to "Barbie" rather than to sing "I'm an 11 1/2 inch plastic doll...." (Def.'s Mot. at 25, n. 10).

Second, the song's use of the term "Barbie" is for purposes of parody. (*See* Rasted Decl. at ¶ ¶ 10-14); *see also Fisher,* 794 F.2d at 435 (noting that Congress has recognized parody as a potential "fair use" activity in the context of copyright law). Referring to Barbie as a "bimbo" living in a plastic world, the song critiques the party-girl image that Barbie has acquired in some quarters. (*See* Lanham Decl., ¶ 35). The singers do not adopt the image or likeness of the dolls, either on any of the CDs or in the video. Indeed, the singers (the dark-haired female lead, with a tattoo on her arm, and the bald male singer with blue markings on the sides of his head, *see* Pruetz Decl., Ex. E1), do not resemble the traditional images of Barbie with blond hair or Ken with a full head of hair. Nor does MCA adopt the Barbie logo used by Mattel.

Further, the repeated use of the words "Barbie" and "Ken" are reasonably necessary for the purposes of parody. In the song, the singers adopt the identity of the dolls and sing to each other about their lives. Barbie refers to herself as a "blond bimbo girl in a fantasy word," who can be undressed, played with, and easily manipulated ("Make me walk, make me talk, do whatever you please"). Ken, in turn, urges Barbie to join him in partying. The lyrics poke fun at the dolls and their images through role-playing by the singers. (*See also* Pruetz Decl., Ex. F5, at 234). Because the singers adopt the identities of the dolls, singing lyrics that poke fun at them, the repeated use of the terms "Barbie" and "Ken" is consistent with the purposes of parody or social commentary.

Third, defendants' album identifies on the CD case that the song "is a social comment and was not created or approved by the makers of the doll," although the warning does not appear on all versions of the CD single. This warning suggests that defendants attempted to disassociate themselves from Mattel, although they should have included it on all of their CDs. Defendants at least attempted to show that their song is not ***1143** endorsed by Mattel. *Consumers Union of United States, Inc.* v. *General Signal Corp.,* 724 F.2d 1044, 1053 (2d. Cir.1983)

("Disclaimers are a favored way of alleviating consumer confusion as to source or sponsorship.").

Plaintiff claims that defendants cannot meet the third prong of the test because they allegedly suggested that the song was endorsed by Mattel. To support this point, plaintiff cites its own survey in which it asked participants the following question: "Do you think the company which owns the Barbie doll brand gave its permission to use the Barbie name on the music CD package?" (Cogan Decl, Ex. C, at 21). According to plaintiff's calculations, 39% of participants answered yes, 51% answered no, and 10% were uncertain.[28/] (*Id.*). Plaintiff asserts that these numbers show actual confusion among consumers, although its own calculations show that only 4% of respondents thought that Mattel or Barbie was the company that "puts out the music video and CD," when asked an earlier, more neutral question (*Id.* at 20).

Despite plaintiff's assertions regarding actual confusion, however, the *New Kids* fair use test is not a likelihood of confusion standard. The focus lies, instead, on whether defendants took actions to "capitalize on consumer confusion or to appropriate the cachet of one product for a different one." *New Kids,* 971 F.2d at 308. In addition to the warning on the CD, defendants took other actions to avoid confusion. For example, in a marketing plan for the album dated July 31, 1997, defendants noted that "obvious promo items that will give the project an added novelty feel (Barbie dolls, etc.) won't be utilized to keep the campaign focused to a broad demo, *as well as avoid any direct connection or conflict to Mattel or the Barbie doll.*"

[28/] When asked the more neutral question, "who or what company, if any, do you think is connected with or gave permission for the music video and CD (music CD) you just saw," 20% responded "Universal/MCA/Aqua/Barbie Girl" and 6% responded a "Music/Entertainment Company." Only 17% responded "Mattel or Barbie;" one percent responded a toy company. Forty- seven percent did not know what company was connected with the song. (Cogan Decl., Ex. C, at 20).

(Pruetz Decl., Ex. X, at 402) (emphasis added). Further, in a June 26, 1997, memo by Universal regarding the plan to promote Aqua, defendants wrote that

> [a] decision was taken that there should be no (or if essential, very limited) tie-ins with Mattel (manufacturers of the barbie doll). The feeling was that we did not need this tool to market our brand, "Aqua." The band has a strong image and we did not want the consumer to get confused thinking our track "Barbie Girl" was about the doll or associated products which could label this track and the band as a one off novelty record.... This is not a quirky, one off single, Aqua is a real band, and "Aquarium" is a great pop album, full of follow up singles, with a huge sales potential.

(*Id.*, Ex. V, at 397). It appears that defendants wished to avoid creating consumer confusion and took steps to decrease the chance that consumers would mistakenly assume that Mattel endorsed or was connected with this single. Defendants did not "suggest sponsorship or endorsement by the trademark holder."[29] *New Kids*, 971 F.2d at 308.

For the foregoing reasons, the Court finds that the *New Kids on the Block* factors apply and that defendants' use of the term "Barbie" is outside the trademark context.

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[29] Plaintiff points to a quote by Carmen Cacciatore, senior director of A & R for MCA Records, to support its claim that defendants attempted to expropriate plaintiffs trademark. Cacciatore reportedly said that MCA "went with what we knew would be the impact cut [by releasing *Barbie Girl* as the first single in the United States], taking a part of American culture with Barbie. By packaging the great connection with a great band, we now have this kind of phenomenon happening." (Pruetz Decl, Ex. F1, at 222). The "connection" being packaged, however, is the cultural associations that the doll has and that the band was spoofing. As noted early, Barbie is a part of American culture and is subject to criticism and commentary like all cultural icons.

2. Likelihood of Confusion Factors

As an alternative holding, the Court will also consider whether summary judgment is appropriate under the more traditional***1144** likelihood of confusion test.[30] These factors, known as the *Sleekcraft* test, including the following:

> (1) the strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; (8) likelihood of expansion of the product lines

Dr. Seuss, 109 F.3d at 1404 (citing *Sleekcraft,* 599 F.2d at 348-49). These factors are not exhaustive, and the court may take into account "[o]ther variables ... depending on the particular facts presented.'" *Id.; see also Eclipse Assoc.* v. *Data General*

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[30] Plaintiff's state claims for trademark infringement, unfair competition, and passing-off are also governed by the likelihood of confusion test. *See Century 21 Real Estate Corp.* v. *Sandlin,* 846 F.2d 1175, 1178 (9th Cir.1988) (observing that "[t]he ultimate test for unfair competition is exactly the same as for trademark infringement"); *Fisher,* 794 F.2d at 440 ("Under California law, a plaintiff claiming unfair competition must 'prove a likelihood of confusion by purchasers as to source.'"); *Toho Co.* v. *Sears Roebuck & Co.,* 645 F.2d 788, 794 (9th Cir.1981) (noting that passing off and misappropriation are different branches of unfair competition).

In addition, plaintiff's claim of false designation of origin under 15 U.S.C. § 1125(a) is governed by the likelihood of confusion test. *Murray* v. *Cable National Broadcasting Co.,* 86 F.3d 858, 860 (9th Cir.1996).

As to plaintiff's claim for wrongful use of a registered mark under Cal. Bus. & Prof. Code § 14335, neither side point to a test other than likelihood of confusion to apply to this claim. The law itself provides that "[a]ny person who uses or unlawfully infringes upon a [registered] mark[,] ... other than in an otherwise noninfringing manner, ... shall be subject to an injunction against the use by the owner of the mark." Cal. Bus. & Prof. Code § 14335(a). As the likelihood of confusion test is generally used to determine whether a use is noninfringing, the Court will apply the same test for § 14335(a).

Corp., 894 F.2d 1114, 1118 (9th Cir.1990) (observing that the various formulations of the likelihood of confusion test "were not meant to be requirements or hoops that a district court need jump through to make the determination."). In addition, the Ninth Circuit has recognized that a court can determine as a matter of law that a plaintiff cannot demonstrate a "likelihood of confusion." *Murray* v. *Cable National Broadcasting Co.*, 86 F.3d 858, 860 (9th Cir.1996), *cert. denied*, 519 U.S. 1058, 117 S. Ct. 689, 136 L. Ed. 2d 613 (1997); *Newton* v. *Thomason*, 22 F.3d 1455, 1462 (9th Cir.1994); *Chesebrough-Pond's, Inc.* v. *Faberge, Inc.*, 666 F.2d 393, 399 (9th Cir.), *cert. denied*, 459 U.S. 967, 103 S. Ct. 294, 74 L. Ed. 2d 277 (1982); *Toho Co.* v. *Sears Roebuck & Co.*, 645 F.2d 788, 790-91 (9th Cir.1981).

An additional factor that this Court will consider is the First Amendment interests at stake in this case. *See Cliffs Notes*, 886 F.2d at 494 ("[I]n deciding the reach of the Lanham Act in any case where an expressive work is alleged to infringe a trademark, it is appropriate to weigh the public interest in free expression against the public interest in avoiding consumer confusion.").[31] Although the First Amendment does not prevent trademark law from applying to artistic works, courts

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[31] *See also Dr. Seuss*, 109 F.3d at 1400; *Anheuser-Busch, Inc.* v. *Balducci Publications*, 28F.3d 769, 775 (8th Cir.1994) ("Parody does implicate the First Amendment's protection of artistic expression."); *Twin Peaks Productions* v. *Publications Intern.*, 996 F.2d 1366, 1379 (2d Cir.1993); *New Kids on the Block*, 971 F.2d at 307; *Rogers*, 875 F.2d at 998; *L.L. Bean*, 811 F.2d at 34; *Fisher*, 794 F.2d at 437-38.

The Second Circuit has observed that the possibility of confusion over two products must be "particularly compelling" to outweigh First Amendment interests raised when titles invoke popular figures to communicate a particular message. *Twin Peaks Productions*, 996 F.2d at 1379. The Ninth Circuit has not specifically adopted the "particularly compelling" language used by the Second Circuit, although a California district court has applied this test. *See No Fear, Inc.* v. *Imagine Films, Inc.*, 930 F. Supp. 1381, 1384 (C.D.Cal.1995).

As that court observed, "the Ninth Circuit has not yet addressed the confluence of First Amendment concerns and the Lanham Act." *Id.* at 1382 n. 1. Although the subsequent *Dr. Seuss* opinion discusses the importance of

trademark law from applying to artistic works, courts must be careful not to trammel on free speech values in protecting trademarks. Indeed, the Ninth Circuit has explicitly warned that plaintiffs ***1145** cannot "use the trademark laws ... to censor all parodies or satires which use their name." *New Kids,* 971 F.2d at 309; *see also Rogers,* 875 F.2d at 998 (noting that "[b]ecause overextension of Lanham Act restrictions in the area of titles [of artistic works] might intrude on First Amendment values, we must construe the Act narrowly to avoid such a conflict"); *see also Girl Scouts,* 808 F. Supp. at 1118 ("The owner of a trademark does not possess a property right that is superior to the First Amendment right accorded to artistic expression.").

Plaintiff asserts, however, that defendants have no First Amendment defense against the Lanham Act by citing the Ninth Circuit's opinion in *Dr. Seuss.* In that case, the Court observed that "the cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement or dilution" and that the claim of parody can provide "no defense 'where the purpose of the similarity is to capitalize on a famous mark's popularity for the defendants' own commercial use." 109 F.3d at 1405-06 (internal citations omitted). The Court added that "[i]n a traditional trademark infringement suit founded on likelihood of confusion rationale, the claim of parody is not really a separate 'defense' as such, but merely a way of phrasing the traditional response that customers are not likely to be confused as to the source, sponsorship, or approval." *Id.* at 1405. Indeed, as the Second Circuit has noted, a successful parody "depends on lack of confusion to make its point." *Hormel Foods Corp.* v. *Jim Henson Productions, Inc.,* 73 F.3d 497, 504 (2d Cir.1996).

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parody under the First Amendment, the Ninth Circuit has not dealt directly with whether the likelihood of confusion factors must be particularly compelling to outweigh First Amendment interests. (As seen below, plaintiff's incorrectly assumes that *Dr. Seuss* stripped trademark defendants of any First Amendment protection).

As noted earlier, however, *Dr. Seuss* involved an entirely different set of facts, in which defendant copied the images and writing style of another book to tell the story of the O.J. Simpson trial. *Id.* at 1397-98. Here, defendants have used the name "Barbie" to poke fun at a popular product. *Dr. Seuss* itself recognized the protection the First Amendment provides to works of parody, and it did not hold that all claims of "parody" as a defense are frivolous, just those that "solely capitalize[d]" on another's fame to satirize something completely different. 109 F.3d at 1400.

Even if Aqua knew that parodying a popular product would attract favorable attention, this knowledge alone cannot erase their First Amendment interests in commenting on Barbie: if it did, then no unknown group could criticize popular products because the accusation of trying to gain attention would always exist. The First Amendment's protections must apply even to those whose parodies target the strong, popular, or well-established. Defendants parody Barbie specifically and do not, like the *Dr. Seuss* defendants, merely use Barbie as a vehicle to satirize something completely different.[32/] For these reasons, the Court will consider defendants' First Amendment interests after considering the eight more traditional factors of the likelihood of confusion test.

a. Strength of the Mark

Defendants concede that the Barbie mark is strong, at least at to dolls and doll-related products. Although "an undeniably strong mark" usually favors plaintiffs, it can also favor some defendants who poke fun at the mark because "a parody depends on a lack of confusion to make its point." *Hormel Foods*,

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[32/] To the extent the song also pokes fun at individuals who are similar to this plastic doll (i.e. Barbie Girls), *Dr. Seuss* does not stand for the proposition that a parody can only target one object at a time. As a cultural icon, the word "Barbie" invokes not only images of the doll itself but also cultural associations (e.g. the doll's frivolous or unreal nature) that might apply to real people, as well. *See also Acuff-Rose*, 510 U.S. at 581, 114 S. Ct. 1164.

73 F.3d at 503. Here, the lyrics of the song refer to Barbie as a "blond bimbo." If Mattel is correct that its product has a "wholesome image [that] Mattel has conscientiously developed for its BARBIE products," (*see* Pl.'s Opp'n at 7), then consumers would be more likely to recognize *Barbie Girl* as a parody.

b. Proximity or Relatedness of Goods[33]

In *Toho* v. *Sears, Roebuck,* the Ninth Circuit held that two product lines ***1146** were "unrelated as a matter or law." 645 F.2d at 790. In that case, defendant sold under the name "Bagzilla" garbage bags that included a cartoon reptile on their packaging and carried the legend "Monstrously Strong Bags." Toho, a Japanese company that owned the name and image of the movie monster Godzilla, sued for false designation of origin. The Court applied the *Sleekcraft* factors and observed that the products were unrelated as a matter of law: it noted that "Sears sells garbage bags. Toho produces or sponsors only literary works and toys." *Id.; see also Sleekcraft,* 599 F.2d at 348 ("If the goods are totally unrelated, there can be no infringement because confusion is unlikely"); *Mejia & Assoc.* v. *IBM Corp.,* 920 F. Supp. 540, 547-48 (S.D.N.Y.1996) (noting that "[r]elevant considerations [for the proximity of goods factor] include the extent to which the goods or services fall within the same class or are used together, as well as any differences in content, purpose, geographic distribution, market position, and audience appeal").

In this case, defendants assert that Mattel's products (i.e. toys) and its own products (i.e. music) are unrelated as a matter of law. Defendant note that "[t]hey sell musical albums, cassettes, CDs, and other types of 'stand alone' forms of prerecorded music that are played on the radio, telecast on MTV, sold in record stores, and tracked on the *Billboard* charts. Mattel simply *does not do this....* " (Defs.' Reply at 8). Mattel,

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[33] In *Toho,* the Ninth Circuit refers to the second prong of the *Sleekcraft* test as "relatedness of the goods." 645 F.2d at 790. In *Dr. Seuss,* the Court refers to this prong as "proximity of the goods." 109 F.3d at 1404.

however, claims that it "licenses the same types of music products under the BARBIE mark as the defendants' BARBIE GIRL products: compact discs, audio cassettes, video cassettes and CD- ROMs."[34] (Pl.'s Opp'n at 16).

Several high-level employees at Mattel admitted in their depositions that they were unaware of any stand-alone CD, audio cassette or vinyl record of prerecorded music that was currently being sold by Mattel (other than music sold with a toy or as part of computer software or videos). (*See* McKenzie Dep. at 292-294 (executive vice president and general manager of Barbie worldwide); Haddad Dep. at 116-17 (general manager of Mattel Media); Fontinella at 44-45 (Senior Vice President of worldwide licensing and new ventures)). None of plaintiff's trademark registrations listed in its complaint (which includes dolls, books, purses, watches, bubble bath, and clothing) applies to records, CDs, or cassettes.[35] (*See* Second Am.Compl., Ex. 1-27).

Plaintiff alleges, however, that "Mattel has produced and licensed numerous music products," including two vinyl records ("Barbie Sings" and "Barbie and the Beat"), music videocassettes sold with "Dance! Workout with Barbie" and "35th

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[34] Plaintiff presents no evidence, however, the MCA sells *Barbie Girl* videocassettes.

[35] In a later filing, Mattel lists its worldwide trademark status report on Barbie, listing "hundreds of registrations and pending registrations for Barbie trademarks." (Pruetz Decl., at ¶ 3; Ex. B, at 163-183). In the twenty pages listing registrations in the United States, Mattel lists as "pending" a large group of products including "calculators, disposable cameras, eyeglass cases, ... CD-ROMs, software, programs, tapes and discs, ... musical, audio, and video sound recordings featuring games and storytelling...." (*Id.*, Ex. B, at 169, 177). According to the list, the filing date for these pending registration was on October 8, 1997, after the present law suit began on September 11, 1997.

A review of this list indicates that no registered products appear to be the type of independently sold, prerecorded CDs or cassettes that defendants sell.

Birthday Barbie," an audiocassette and CD version of "Barbie: The Look," a musical cassette tape, "Barbie Country Music Dancing With Me," and "at least eight music CD-ROMs."[36/] Several of *1147 these products, however, are simply toys with accompanying music. (McKenzie Dep. at 190; McKenzie Decl. ¶¶ 11-12, Ex. D). In addition, Mattel provides no indication that these products are still being marketed: for example, the vinyl records are copyrighted in 1961. (*Id.* at Ex. F). In an earlier declaration, plaintiff attempted to describe such toy products as a miniature concert stage and music stores as examples of its music products. (*Id.* at ¶ 12). Mattel's products (including its purported music products) are unrelated to defendants' *Barbie Girl* CDs as a matter of law, with the exception of one Barbie Girl CD-ROM.

Defendants' CD-ROM, which contains a version of the video for *Barbie Girl*, is the only example of defendants' products that is the same type of product as that sold by Mattel. Even here, however, significant differences exist between the products. Plaintiffs so-called "musical" CD-ROM products include "Barbie Magic Hair Styles" and "Barbie Ocean Discovery." A consumer purchasing plaintiff's CD-ROM products,

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[36/] Mattel adds that in 1998 it plans to release "a product group which will feature a music cassette" called Barbie and the Glow Girls and that it is currently negotiating "a large-scale music deal with a competitor of MCA for a series of stand-alone music products, including singles, albums, cassettes and CDs." (Pl.'s Opp'n at 5). After defendants filed their reply, plaintiff filed a supplemental declaration stating that plaintiff had finalized a record deal with Sony Music. (*See* Pruetz Supp. Decl. at ¶ 2). According to an accompanying news report attached to plaintiff's declaration, real singers will adopt the character names of Barbie and several related dolls and the company will sell a full-length CD, to be sold separately by the children's music division of Sony Records. (*Id.*, Ex. A).

These products are not relevant to the current analysis, however, because they are not presently before consumers, nor is there evidence that consumers were aware of them at the time the *Barbie Girl* song first appeared in the U.S. market. *Lang* v. *Retirement Living Pub. Co.*, 949 F.2d 576, 582 (2d Cir.1991).

however, would not believe that they were buying music or a music video instead of a computer program. *See* Haddad Dep. at 50-51 (discussing Barbie Magic Hair Styler as allowing a child to do "virtual hair styling on the computer").[37] In contrast, the *Barbie Girl* CD-ROM only contains the video of the song and remixes of the single.[38]

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[37] To the extent Mattel's CD-ROM products and the *Barbie Girl* CD-ROM are related, Mattel has presented no evidence that the *Barbie Girl* CD-ROM is sold in United States stores along with the Barbie CD-ROM products. (*See* Grant Decl.). Indeed, the copy of the CD-ROM introduced into evidence by plaintiff was imported from England through Internet websites. (Samuels Supp. Decl., ¶ 10, Ex. I; *see also id.*, Ex. J-T). Plaintiff does not present any evidence that any of its music-related products are sold through this same website.

[38] The Ninth Circuit's recent decision in *Dreamwerks* is distinguishable. In that case, the Court reversed a summary judgment ruling for a plaintiff partly on the grounds that the goods were not unrelated as a matter of law. 142 F.3d 1127, 1130 (9th Cir.1998). A relatively unknown company called Dreamwerks organized conventions for the fans of the Star Trek television and movie series. Dreamwerks sued Dream Works SKG, a new entertainment company, for trademark infringement.

The Ninth Circuit reversed the lower court on the grounds that the products of the two companies (movies and sci-fi merchandise/collectibles) "are now as complementary as baseball and hot dogs." *Id.* at 1130. The Court observed that consumers might mistakenly assume that an entertainment company like Dream Works had entered the "sci-fi merchandising business," given their ties to other entertainment related venues or products, such as amusement parks, computer games, and toys. In short, the fact that "Dreamwerks has carved out a narrow niche in the entertainment place, while Dream Works controls a much broader segment," did not mean the products sold by the companies was unrelated as a matter of law. *Id.* at 1130.

This case, however, is not a dispute over the use of the names of two different corporations selling goods in the same general product area: it is about a musical band who made references in a song to a trademark with strong cultural associations. DreamWorks and Dreamwerks were two businesses working in potentially overlapping segments of the entertainment industry; in this case, Mattel's Barbie is associated with dolls while *Barbie Girl* is simply a song about the doll. Despite its forays into clothing, bubble bath, and other non-toy-related products, Mattel presents no evidence that its

c. Similarity of the Marks

In assessing similarity, courts are to look at "the marks and names in their entirety and as they appear in the marketplace." *Nutri/System, Inc.* v. *Con-Stan Industries, Inc.*, 809 F.2d 601, 605-06 (9th Cir.1987) (quoting *Alpha Industries, Inc.* v. *Alpha Steel Tube & Shapes, Inc.*, 616 F.2d 440, 444 (9th Cir.1980)); *see also Gallo*, 967 F.2d at 1291. "[M]arks are not 'similar' for purposes of assessing likelihood of confusion simply because they contain an identical or nearly identical word."[39] *Mejia*, 920 F. Supp. at 547.

***1148** The marks on defendants' product are not similar to Mattel's, as they use different lettering, styles, and even colors. (*See* discussion of trade dress, below). Further, the packaging of Mattel's products generally includes either an image of the Barbie or Ken doll or in other cases is transparent, revealing the actual doll.[40] None of Aqua's packaging has an image of any doll on it, whether resembling Barbie or not. All of Aqua's mu-

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Barbie line of products is associated with music in the public eye or that the public realized Mattel intended to enter the music scene at the time this lawsuit was filed.

[39] Although both the name of the doll and the name of the song share the dominant term "Barbie," as explained earlier the use of "Barbie" in this context is for purposes of parody. *Cf. Century 21*, 846 F.2d at 1179. Although both products share this word, they differ significantly in their appearance and in the context in which they are used. *Id.*

[40] *See* Second Am. Compl., Ex. 29; McKenzie Decl. (Prel. Inj. Mot.), Ex. C-I, K-M, O; Grant Decl. (Prel. Inj. Mot.) Ex. D-G, L, P-R, V, W, BB, FF-II; Pruetz Decl. (Opp'n), Ex. A1; Grant Decl. (Opp'n), Ex. C-D, H, K-M, R-T, V, W, Z, AA, GG.

Plaintiff states that "numerous products" do not have the dolls image on them, but it only provides as an example a photograph of three unidentified products (with titles such as "Bill Blass Barbie" and "Waterlily Barbie; Inspired by the paintings of Claude Monet"), a party hat, and a pink T- shirt. (Pruetz Decl., ¶ 2 & Ex. A1-A3). None of these products appear to be musical in nature.

sic CDs have a picture on their covers of the four band members, none of whom resemble Barbie or Ken.[41]

In addition, defendant's eleven-song CD album is mostly blue and has in large, rounded-block letter, the word "Aqua" and in smaller print, "Aquarium." On the back of the album, eleven song titles are listed, all in small-size yellow lettering. *Barbie Girl* is listed as track number three and has an asterisk next to it. This symbol refers to another asterisk below, which is next to a sentence in yellow warning that "[t]he song 'Barbie Girl' is a social comment and was not created or approved by the makers of the doll." The back of the album also identifies MCA as the copyright holder. This album is quite dissimilar from the style of packaging used on any of plaintiff's products.

The trade dress on plaintiffs' CD single versions of the song also differ significantly from plaintiff's product.[42] All contain the word "Aqua" in big, blue letters on their front covers, as well as a picture of the band. The fact that the words "Barbie Girl" always appear next to the words "Aqua" on the packaging is significant in that it decreases the likelihood of consumer error and confusion. The context in which the marks appear is important. *See Hormel Foods,* 73 F.3d at 503, 504 (noting that a character named "Spa'am" was always associated with the words "Muppet Treasure Island," decreasing the likelihood that consumers would confuse the Muppets' wild board puppet with Hormel's meat product known as Spam).

The differences in packaging between Mattel and MCA's products set this case apart from the books at issue in *Dr. Seuss.* In that case, the offending book expropriated the image of a hat used in Dr. Seuss' books and placed in on the front and back cover of the product. *Dr. Seuss,* 109 F.3d at 1402. Here, how-

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[41] *See* Second Am. Compl. Ex. 31, 33, 35, 37; Rasted Decl., Ex. 1-2; Grant Decl. (Prel. Inj. Mot.), Ex. B, C, F, G, J, Q, U, Y, FF.

[42] The Court assumes, as plaintiff alleges, that these produces are being sold in the United States.

ever, the band does not use any images of the Barbie doll itself, and the name "Aqua" is always the largest lettering on the packaging.

d. Actual Evidence of Confusion

Some consumer confusion is inevitable when a few people fail to realize that one product is parodying another. Indeed, "[b]efuddlement is part of the human condition. No matter how clear the markings, no matter how different the names, no matter how distinctive the bottles, some confusion is inevitable." *Reed-Union Corp.* v. *Turtle Wax, Inc.*, 77 F.3d 909, 912 (7th Cir.1996). The fact that a plaintiff can point to some evidence of confusion in the abstract does not automatically mean that such confusion affects actual purchasing decisions. *See Lang* v. *Retirement Living Pub. Co., Inc.*, 949 F.2d 576, 583 (2d Cir.1991) ("[N]o evidence links the confusion evinced by the [400 misdirected] calls [received by plaintiff] to any potential or actual effect on consumers' purchasing decisions."). Nor does a showing of some actual confusion automatically create a triable issue of fact. *Universal Money Centers, Inc.* v. *AT&T*, 22 F.3d 1527, 1535 (10th Cir.), *cert. denied*, 513 U.S. 1052, 115 S. Ct. 655, 130 L. Ed. 2d 558 (1994); *Universal City*, 746 F.2d at 118.

***1149** As noted earlier, only four percent of survey participants in the Cogan survey indicated that they believed that Mattel or Barbie was the company that "puts out the music video and CD (music CD)" that the participants had just seen. (Cogan Decl., Ex. C, at 19). Even when asked the compound and vague question of what company is "connected with or gave permission" for defendants' CD and video, only 17 percent answered Mattel or Barbie. (*Id.*). *Compare with Gallo*, 967 F.2d at 1292 (finding that 40% of nationwide participants believed plaintiff "put[ ] out" defendants' similarly named cheese product). The fact that participants associate or connect plaintiffs' product with defendants is not itself evidence of confusion. *Prudential Ins.*, 694 F.2d at 1156.

Plaintiff furthers points to "29 unsolicited e-mail [at the Barbie website] and at least 10 oral inquiries" as evidence of actual confusion. (Pruetz Decl., Ex. M). Although some of these e-mails inquire about obtaining the song, others simply repeat lyrics of the song, state that they "love" the song, or even explicitly recognize that the song was not approved by Mattel. (*Id.*). These responses are ambiguous, at best, as to whether the writers believe Mattel is responsible for the song. *Universal Money Centers,* 22 F.3d at 1535 ("De minimis evidence of actual confusion does not establish the existence of a genuine issue of material fact regarding likelihood of confusion....").

e. Marketing Channels Used

Plaintiff argues that its products are sold in the same stores as defendants' product and advertised through similar venues. Defendants, in turn, claim that their song is sold in record stores and in record departments and that their advertising channels differ.

Reviewing the evidence favoring the plaintiff, it does appear that plaintiffs' products are sold in some cases in the same stores as the *Barbie Girl* CD, although plaintiff has not shown that any of its products are sold in the music sections of these stores, where defendants' CDs are sold. *See Vitarroz Corp.* v. *Borden, Inc.,* 644 F.2d 960, 967 (2d Cir.1981) (considering as a factor against finding likelihood of confusion the fact that BRAVO's crackers were shelved in a store's "cookies and crackers" section, while BRAVOS chips were shelved with "salty, crunchy snacks"); *Sunenblick* v. *Harrell,* 895 F. Supp. 616, 629 (S.D.N.Y.1995) (finding no likelihood of confusion between jazz music and rap music both labeled "Uptown Records" and observing that "[a]lthough the products are sold in the same channels of trade, they are not sold side-by- side; rather, they are featured in different sections of the stores in which they are sold, according to genre and not by label name"), *aff'd,* 101 F.3d 684 (2d Cir.1996). *Cf. Levi Strauss Co.* v. *Blue Bell, Inc.,* 778 F.2d 1352, 1359 (9th Cir.1985) ("A

buyer cannot ... be confused unless he is looking for a label in his recognizes and picks up another in his confusion").

As evidence that the goods are sold in the same sections of stores, plaintiff provides the declaration of a paralegal employed by the law firm of plaintiff's counsel. In his declaration, Vincent Grant states that in his trips to various stores in Southern California, he sometimes encountered Mattel products being sold within five to ten feet of the *Barbie Girl* CD.[43] The products he compares, however, are unrelated. *See Toho*, 645 F.2d at 790. For example, he claims that at a Borders Book Music & Cafe store, he found defendants' product "approximately five feet away" from plaintiff's. (Grant Decl. ¶ 8). However, defendants' product is a musical CD located among other CDs; plaintiff's product is a book on collecting Barbie dolls. (Grant Decl., Ex. J-K). At the other stores, the only Barbie products Grant finds are computer CD-ROMs, toy products, and videos. Plaintiff does not show a single instance in which its products are sold among the other music CDs and cassettes at these mega-stores.[44] *See* ***1150** *Vitarroz Corp.*, 644 F.2d at 967 (ob-

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[43] In his deposition, Grant admitted that he visited fourteen stores, eight of which did not carry both *Barbie Girl* and Mattel's products. None of these stores carried the *Barbie Girl* single. (Grant Dep., at 37, 39-40).

[44] Grant states that, at in the "Kids Music" section at the store Best Buy, Barbie products are sold in the "Kids Music" section. (Grant Decl., at ¶ 14). A review of the accompanying photograph at Exhibit T show a sign that says "Kids Music." Underneath the sign are a large display of "Flower Fun Barbie," a doll, and the "Barbie Photo Fun Set," which appears to include a small pink camera in packaging with a large photo of the doll. Neither of these products are musical, despite their location, and this exhibit does not show that CDs are sold in this department. Indeed, the *Barbie Girl* CD at Best Buy is sold with other CD musical products. (*Id.*, Ex. Q, at 29).

At Costco, Barbie computer software, in a heap of boxes on a table, are apparently displayed in the same long row as the *Barbie Girl* CD. (*Id.*, Ex. C). It does not appear from this photo that Costco is organized into departments in the same manner as most other stores. Even at this store, however, Aqua's album is sold among other CDs, including music by Whitney Hous-

serving that "modern marketing methods tend to unify widely different types of products in the same retail outlets or distribution networks").

As to advertising, Mattel asserts that both parties "use the same media and target the same class of consumers. Defendants and Mattel both advertise their products through print, radio, television and the Internet." (Pl.'s Opp'n at 22). For example, plaintiff claims that both parties advertise on Top 40 radio. However, plaintiff recognizes that its product is promoted through advertisements while defendants' product is promoted through "air play." (*Id.*). The distinction only highlights how the products are unrelated: defendants' *Barbie Girl* is a song played on the radio and television with other songs. Plaintiff's products, however, are not music or songs but primarily dolls, clothing, and assorted other products. Indeed, defendants' product is apparently marketed *as a musical product,* and plaintiff shows no evidence that its products are marketed in a similar manner.[45] (*See, e.g.*, Pruetz Decl., Ex. R (displaying Target mega-store advertisement listing *Barbie Girl* product among other advertisements for other music CDs)). Even assuming that plaintiff's evidence supports its assertion that the parties' products are marketed in the same venues (television programs, etc.), the evidence shows that defendants market their product as a stand-alone musical CD product. Plaintiff presents no evidence that it markets its products as music.

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ton, Marvin Gaye, and Amy Grant; Barbie's "Ocean Discovery" CD-ROM is sold with other computer products. (*Id.*, Ex. B-C).

[45] Plaintiff also claims that defendants advertised their product in an independent magazine devoted to Barbie doll collectors. (Pruetz Decl., Ex. O). A review of *Miller'$ Market Report,* however, reveals that the magazine did a *story,* on the song *Barbie Girl,* in which it clearly identifies Aqua as the band releasing the song and which thanks MCA Records "for providing *Miller'$* with promotion materials on AQUA and *Barbie Girl.*" (*Id.* at 349, 350 (referring to a "story" on the *Barbie Girl* song inside the magazine)).

f. Degree of Care of Purchasers

As to the consumers each side targets, plaintiff claims that both parties target young girls. (Pl.'s Opp'n at 23). However, its earlier papers provide contradictory information about whom its primary purchasers are. *See* Pl.'s Mot. for Prel. Inj. at 19 (identifying "typical buyer" as "young, unsophisticated person[s]"); Anson Decl. at 2 ("More than one billion BARBIE line dolls have sold worldwide, principally to girls aged 3 to 11."); Pl.'s Reply, Prel. Inj., at 16 (identifying primary purchasers as adults who buy toys for their children or collectibles for themselves); *see also* McKenzie Dep. at 79 ("The Barbie brand of products is targeted to people aged zero to 100 plus" and that its "music-related products" are targeted to all ages).

Defendants claim that they target teenagers and adults, while Mattel's products are targeted at young girls ranging from 2 or 3 to 10 or 11 years old. *See* Defs.' Mot. at 20; Luther Dep. at 116 (Mattel senior vice president for marketing research worldwide) (agreeing that its target market was girls 5 to 10); Pl.'s Opp'n at 23 (referring to "Mattel's young female market").[46/]

According to market research based on approximately 20,000 bounce back cards filled out by consumers who purchased Aqua products, 66% of "Aqua fans" are female and 65% of the fans were under the age of 18. ***1151** (Healy Decl., Ex. B1, at 18). The data also is broken down along more specific age groups: 2% (under age 8), 38% (ages 8-13), 25% (ages 14-17), 15% (ages 18-21), 8% (ages 22-25) and 12% (ages 26 or higher). (*Id.* at 23). The average age was 16.9. (*Id.*). *See also*

[46/] *See also* Second Am. Compl. at ¶ 16 ("Every second, two BARBIE dolls are sold somewhere in the world and a typical American girl, aged 3-11, owns an average of eight BARBIE dolls"); *id.* at ¶ 17 ("Mattel also has marketed and sold and/or continues to market and sell an extensive line of BARBIE clothing and BARBIE clothing accessories, BARBIE musical product, BARBIE computer CD-ROM games, and other products *for young girls.*") (emphasis added).

Pruetz Decl., Ex. H, at 240 (indicating that MCA contacted Hasbro "regarding male versus female voice-overs in commercials [regarding *Barbie Girl*] targeting female 'tweens,' defined at ages 9 to 14").

This data suggests some overlap in the demographic groups targeted by the two parties, although plaintiff does not provide clear data about the age of its *purchasers,* as opposed to consumers: for example, although a product may be targeted at young people, their parents may be the ones who actually purchase the dolls. Assuming that the bounce back cards were filled out by the purchasers of the CDs, it would appear that the average age of MCA's purchasers is 16.7. The relevance of the purchaser's identity is that they are they ones who may or may not be confused when confronting products with similar marks in the marketplace. The age of the average purchaser, whether a young child or an adult, can also affect the degree of care with which they purchase products.

The Court notes that, assuming the bounce back cards reflect purchasers of MCA's products, the average buyer of *Barbie Girl* is a teenager. In its papers, plaintiff has variously claimed that its primary purchasers are young children and adults—two groups distinct from teenagers.[47]

g. Defendants' Intent

Defendants claim that they chose the name "Barbie" not to confuse the public but rather to parody the doll and make a comment on the values it represents. (Rasted Decl. ¶ 11) ("As I wrote the song, I knew that Barbie was a popular doll.... My intention was to use that imagery and evoke and comment on a

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[47] In its April 16th reply to its renewed motion for a preliminary injunction, plaintiff claims that "the only target audience ever considered when marketing the Aquarium album was girls, aged 9 to 14." (Pl.'s Reply, [Renewed] Mot. for Prel. Inj., at 19 (citing Romano Tr. at 20:14-22:6)). Even if plaintiff's assertion is correct, the identity of defendants' target audience is not the relevant question: rather, the issue is who the purchasers of plaintiff's and defendants' respective products are.

'Barbie World.'"). As to this element, plaintiff need not show that defendants "intended to deceive consumers." *Gallo*, 967 F.2d at 1293. The weight of this factor is somewhat diminished in the context of parody, however, as all parodists of consumer products "intend to select" the products' mark to make their comments. *See also Cliffs Notes*, 886 F.2d at 494 (recognizing the need to balance First Amendment interests against likelihood of confusion, in part because it "allows greater latitude for works such as parodies, in which expression, and not commercial exploitation of another's trademark, is the primary intent"); *Hormel Foods Corp.* v. *Jim Henson Productions, Inc.*, 36 U.S.P.Q.2d 1812, 1818 (S.D.N.Y.1995) ("Henson acknowledges that it meant to invoke Hormel's trademark as a joke. This does not mean that Henson intended to cause confusion in the minds of consumers."), *aff'd*, 73 F.3d 497 (2d Cir.1996).

As noted earlier, plaintiff's "evidence" of intent include marketing documents by defendants that indicate a desire to *avoid* unnecessary connections to Mattel, specifically to "avoid any direct connection or conflict to Mattel." *See* Pruetz Decl., Ex. X, at 402. Plaintiff further alleges that the fact that the "bounce back" cards accompanying some of defendants' product are evidence of intent because the cards asked consumers if their hobbies included "collecting Barbies." *See* Healy Decl., Ex. B1, at 22. However, this answer was one of nine options presented to consumers.[48] Even if plaintiff's assertion that questions such as these show defendants were going after the same target audience (i.e. young girls), it does not directly show that defendants intended to confuse consumers regarding the parties' respective products. *See Newton*, 22 F.3d at 1463 (observing that plaintiff failed to show that defendants "intended to profit by *confusing consumers* ") (emphasis in original).

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[48] Only 8% responded that collecting Barbie was one of the three hobbies that they enjoyed the most. (*Id.*).

*1152 h. Expansion of Product Lines

Throughout this litigation, plaintiff refers to "Barbie Girl" products. However, the only product here is one song, *Barbie Girl*, which is sold in different forms and is performed by a new group that will be using totally different songs in future productions. (*See* Rasted Decl. at ¶ 17).

Mattel claims that it is intending to expand its own line of products to include singles, albums, and CDs bearing the Barbie trademark. (Pl.'s Opp'n at 27 (citing McKenzie Decl., 276-277)). However, "the intent of the prior user [of a mark] to expand or its activities in preparation to do so, *unless known by prospective purchasers*, does not affect the likelihood of confusion." *Lang*, 949 F.2d at 582. Plaintiff provides no evidence that consumers were aware of these expansion plans at the time the Aqua CD was first released in the United States in 1997.

Likewise, plaintiff's assertions that defendants intended to market "a pink heart-shaped purse with BARBIE GIRL emblazoned on it" is irrelevant to the issue of expansion of products if consumers are unaware that the product was to be released. Plaintiff offers no evidence that consumers were aware of this potential product.

i. Defendants' First Amendment Interests

As stated above, the Court finds that the *Barbie Girl* song is a parody. The Supreme Court has observed that

> parody has an obvious transformative value.... Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one....

Acuff-Rose, 510 U.S. at 579, 114 S. Ct. 1164. The Court recognized the importance of these works in social discourse, even when some individuals fall to realize that they are parodies: "First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed." *Id.* at 583, 114 S. Ct. 1164 (quoting *Yankee Publishing, Inc. v. News America Publishing, Inc.*, 809 F. Supp. 267, 280

(S.D.N.Y.1992)). Nor does the fact that defendants targeted a popular trademark for parody leave their speech unprotected. *See New Kids,* 971 F.2d at 309.

As the Ninth Circuit has held, "the trademark laws do not give [plaintiffs] the right to channel their fans' enthusiasm (and dollars) only into items licensed or authorized by them." *New Kids,* 971 F.2d at 309. Defendants have produced a song that parodies plaintiffs' successful and well- known product. Censoring such parodies—even ones that become profitable themselves—raises serious dangers to the First Amendment.

In this case, the central issue is whether defendants can use the word "Barbie" in the title and lyrics of their song. Although some individuals inevitably will believe that titles and lyrics containing a celebrity or icon's name constitutes an endorsement, this risk "is outweighed by the danger of restricting artistic expression." *Rogers,* 875 F.2d at 1000. The First Amendment interests at stake outweigh the possibility that some people might not interpret the song's light-hearted lyrics as a comment or spoof of the popular Mattel product and might be confused as to whether Mattel put out or authorized the song *Barbie Girl.*

E. MATTEL'S TRADE DRESS CLAIMS

Besides its claims regarding the use of the name "Barbie," plaintiff also asserts that defendants have misappropriated plaintiffs trade dress, specifically the use of so-called Barbie "pink" in the *Barbie Girl* packaging and video.[49] (*See* Pl.'s Opp'n at 8; Pl.'s Mot. for Prelim. Inj. at 9). Trade dress is "the appearance of the product" and includes such features as "size, shape, color, color combinations, texture, or graphics." *Rachel* v. *Banana Republic, Inc.,* 831 F.2d 1503, 1506 (9th Cir.1987). Indeed, "[t]rade dress is the totality of elements in which a

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[49] Plaintiff admitted in its earlier motion that it does not have a federal trademark registration for the "field of pink" it uses on its packaging. (Pl.'s Mot. for Prelim. Inj. at 5).

product or service is packaged or presented. These elements combine to create the whole visual image presented to customers...." ***1153** *Stephen W. Boney, Inc.* v. *Boney Services, Inc.*, 127 F.3d 821, 828 (9th Cir.1997).

To recover for trade dress infringement under 15 U.S.C. § 1125, plaintiff has the burden of showing that "its trade dress is protectable and that defendant's use of the same or similar trade dress is likely to confuse consumers." *Rachel*, 831 F.2d at 1506 (quoting *Fuddruckers, Inc.* v. *Doc's B.R. Others*, 826 F.2d 837, 841 (9th Cir.1987)). "Under this analysis, trade dress may be protected if it is nonfunctional and has acquired secondary meaning and if its imitation creates a likelihood of consumer confusion." *Id.* (quoting *Fuddruckers*, 826 F.2d at 842).

Plaintiff cannot show that its use of the color pink has acquired secondary meaning. The color pink is used on many products associated with young girls, (*see* Folkes Decl. ¶ 15), and plaintiff provides no evidence as to how its pink differs from that used on these other products. *See Mana Products, Inc.* v. *Columbia Cosmetics, Mfg., Inc.*, 65 F.3d 1063, 1071 (2d Cir.1995) ("[T]here are countless numbers of cosmetic companies that sell black compacts"); *Brunswick Corp.* v. *British Seagull Ltd.*, 35 F.3d 1527 (Fed.Cir.1994) (holding that outboard motor company could not register the color black as its distinctive mark, partly on the grounds that other companies used black on their engines and that such use reflected a "competitive need"), *cert. denied*, 514 U.S. 1050, 115 S. Ct. 1426, 131 L. Ed. 2d 309 (1995). Nor does plaintiff point to any evidence that its use of white lettering on a pink background is unique.

Plaintiff argues, however, that it is seeking registration for the word "Barbie" on a field of pink. (*See* Second Am. Compl., Ex. 28). In its application for trademark registration with the United States Patent and Trademark Office, plaintiff attaches an image of the word "Barbie" that has "stylized," slanted white

lettering, apparently on a pink background.[50] (*Id.* at 67, 70). This application, however, specified that plaintiff has used this mark in connection with "dolls, doll clothing and doll accessories." (*Id.* at 66). No mention is made of records, music, or CD products.

Plaintiff offers no evidence that pink and white lettering has acquired a "secondary meaning" with consumers. *Boney,* 127 F.3d at 828. Indeed, "a product feature whose only impact is decorative and aesthetic, with no source identifying role, cannot be given exclusive rights under trade dress law." *Id.* (quoting 1 McCarthy on Trademarks and Unfair Competition § 8.1). Although the word "Barbie" does denote the doll sold by Mattel, plaintiff has not demonstrated that the combination of pink and white are anything more than decorative colors used by Mattel and many other companies.

Even if plaintiff were correct that its pink and white trade dress were unique, significant differences exist between its packaging and that of the *Barbie Girl* song to prevent likelihood of confusion, at least as to trade.dress. In comparing the packaging of the two products, this Court must consider the "totality of elements" involved in the packaging. *Boney,* 127 F.3d at 828.

Aqua's album, *Aquarium,* has a blue, watery background and contains yellow lettering for the eleven songs listed on the back. In big, rounded blue letters the word "Aqua" appears at the top of the CD. None of the song's lettering is larger than the other, and in fact, pink—BARBIE pink or otherwise—does not appear anywhere on the front or back of the CD case. (Pruetz Decl, Ex. E6). Likewise, the cassette version of the album does not contain any pink lettering. (*Id.* at Ex. E7).

Plaintiff's main complaint appears to be with the CD-single versions of the song. (*Id.* at E1-E3, E5, E9). However, a review of these packages reveals several significant differences.

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[50] The image attached to Exhibit 28 is in black and white.

The cases for these CDs are mostly blue, with a picture of the band on all versions accept the CD-ROM. (*See id.*). The words "Barbie Girl" appear in pink block lettering. These letters have irregular borders and are shadowed in dark pink and outlined in both white and dark pink. At the top of every package of the CD are large, rounded blue letters spelling the word ***1154** "Aqua"; these letters have a white and black outline, with an eye appearing within the letter "Q." The use of pink on these albums differs significantly from the white on pink lettering that Mattel is attempting to claim as its trade dress. The curved, relatively thin lettering used by Mattel is quite distinct from pink block lettering used by *Barbie Girl.* As mentioned earlier, Mattel offers no evidence that its use of pink or even pink and white is distinct to its products alone.

Because Mattel cannot establish "the existence of an element essential" of claim (i.e. that the use of pink or even pink and white lettering has acquired a secondary meaning) and because it bears the burden of proving that element, summary judgment as to Mattel's trade dress claims is appropriate.[51] *See Celotex,* 477 U.S. at 322, 106 S. Ct. 2548.

F. MATTEL'S DILUTION CLAIMS

The Federal Trademark Dilution Act provides that

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[51] As to the video, plaintiff claims that the set used mimics Barbie's accessories, including the pink Barbie Dream House. These images are not included on the packaging of any of the products sold to consumers.

As the band members look nothing like the dolls they spoof, using a set on the video to evoke the subject matter of the parody is appropriate under the circumstances. A parody, by definition, "needs to mimic an original to make its point." *Acuff-Rose,* 510 U.S. at 580, 114 S. Ct. 1164; *see also Fisher,* 794 F.2d at 435 n. 2 ("To 'conjure up' the original work in the audience's mind, the parodist must appropriate a substantial enough portion of it to evoke recognition."). Given that the pretend Barbie has a tattoo and dark hair, and the pretend Ken has a clean-shaven head, viewers are not likely to mistake these singers for Mattel's product, even though they are surrounded by a pink setting.

> The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.

15 U.S.C. § 1125(c)(1) (West 1997). The Act exempts from its reach the "[f]air use of a famous mark by another person in comparative advertising or promotion to identify the competing goods or services of the owner of the famous mark[;][n]oncommercial use of a mark[; and] [a]ll forms of news reporting and news commentary."[52] *Id.* at § 1125(c)(4). To prove dilution, a party need not show "the presence or absence of (1) competition between the owner of the famous mark and other parties, or (2) likelihood of confusion, mistake, or deception."[53] *Id.* at § 1127.

The Supreme Court has defined commercial speech in the First Amendment context as "speech which does no more than

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[52] The Act also provides that a plaintiff is only entitled to injunctive relief unless the person accused of violating subsection (c) "willfully intended to trade on the owner's reputation or to cause dilution of the famous mark." *Id.* at § 1125(c)(2).

[53] California's trademark dilution statute provides that "[l]ikelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter ... shall be ground for injunctive relief, notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services." Cal. Bus. and Prof .Code § 14330 (West 1997). The Ninth Circuit has held that California's anti-dilution law "is designed to protect against the gradual 'whittling away' of a trademark's value." *Academy of Motion Picture, Arts & Sciences* v. *Creative House Promotions,* 944 F.2d 1446, 1457 (9th Cir.1991).

First Amendment considerations, however, apply to claims for dilution under California law. *New Kids on the Block* v. *News America Publishing, Inc.,* 745 F. Supp. 1540, 1542 n. 1 (C.D.Cal.1990), *aff'd,* 971 F.2d 302 (9th Cir.1992).

propose a commercial transaction."[54] ***1155** *Virginia State Bd.*, 425 U.S. at 762, 96 S. Ct. 1817; *see also Cardtoons,* 95 F.3d at 959 (noting that parody trading cards "are not transformed into commercial speech merely because they are sold for profit"). An accompanying House Report to the Federal Trademark Dilution Act provides that "[t]he bill will not prohibit or threaten 'noncommercial' expression, as the term has been defined by the courts. Nothing in this bill is intended to alter existing case law on the subject of what constitutes 'commercial' speech." H.R. Rep. 104-374. As parody is a form of noncommercial, protected speech, the Act does not affect the First Amendment protection accorded to it, a proposition recognized by several supporters of the

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[54] Plaintiff places much significance on the fact that defendants attempted to market their song, through ads, videos, and promotional stickers. (*See* Pl.'s Opp'n at 30-31). The fact that defendants' product makes a profit or is successful, however, does not affect the protections afforded to it by the First Amendment. By plaintiff's reasoning, any book, movie, or song that incorporates a product name in its title would receive less protection the more money that it makes. *See Virginia State Bd.*, 425 U.S. at 761, 96 S. Ct. 1817.

Although the Ninth Circuit in *White* v. *Samsung Electronics* stated in dicta that "[t]he difference between a 'parody' and a 'knock-off' is the difference between fun and profit," that Court did not directly discuss the Supreme Court's holding that for-profit, noncommercial speech is protected under the First Amendment. *See* 971 F.2d 1395, 1401 (9th Cir.1992). In addition, White involved the use in an advertisement of a robot designed to resemble a real-life celebrity, raising the danger that viewers might see the advertisement (for electronics products) as endorsed by the celebrity. *Id.* This danger was compounded by the fact that ad was one in a series that used other celebrities to sell Samsung's products. *Id.* This case, however, involves a parody poking fun directly at Barbie, unlike the alleged parody in *White,* which was "subservient and only tangentially related to the ad's primary message: 'buy Samsung VCRs.'" *Id.* The Court further noted that, "the first amendment hurdle is not so high" in the case of commercial advertisements. *Id.* at 1401 n. 3.

Plaintiff further cites its Cogan survey to support its claim that the song has diluted its mark. However, likelihood of confusion is not the test applicable here.

supporters of the legislation.[55] *See also L.L. Bean*, 811 F.2d 26 (applying First Amendment principles to protect parody against state anti-dilution claim).

Plaintiff contends that its famous mark is associated with wholesomeness and that defendants' song tarnishes that mark through its "sexual and denigrating lyrics." (Pl.'s Opp'n at 7). In its prior papers, plaintiff has characterized *Barbie Girl* as supporting "promiscuity, lewdness, and the stereotyping and denigration of young women." (Pl.'s Prel. Inj. Mot. at 25). However, plaintiff has not shown that its mark is associated exclusively with wholesomeness. Indeed, their product itself has been accused of promoting unrealistic, sexist stereotypes of what constitutes the "ideal woman." *See, e.g.*, Folkes Decl., Ex. 22 (noting that doll has a "party-girl" image with some members of the public). In addition, a book copyrighted by Mattel about Barbie variously described her as a "buxom fashion queen," "a dream goddess," and "a sophisticated grown-up doll"; the book further acknowledged criticism of the doll for its unrealistic body proportions. (*See* Rasted Decl., Ex. 15).

Even if the song did tarnish or dilute the Barbie mark, defendants' speech falls within the "noncommercial use of a mark" exception to the federal statute. As noted earlier, the fact *Barbie Girl* is sold for money is not dispositive as to whether the use of the mark is commercial. *Virginia State Bd.* 425 U.S. at 761, 96 S. Ct. 1817; *cf. New Kids*, 971 F.2d at 309 (holding that "[w]here ... the use [of a mark] does not imply sponsorship or endorsement, the fact that it is carried on for profit and in

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[55] *See* 141 Cong. Rec. S19312 (1995) (Senator Leahy) (stating that "parody, satire, editorial, and other forms of expression will remain unaffected by this legislation"); 141 Cong. Rec. S19306, S19310 (Senator Hatch, introducing the bill) ("The bill will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not a part of a commercial transaction."); 141 Cong. Rec. H14317, H14318 (Representative Moorehead) ("The bill would not prohibit or threaten noncommercial expression, such as parody, satire, editorial, and other forms of expression that are not part of a commercial transaction.").

competition with the trademark holder's business is beside the point" for purposes of trademark infringement).

In *L.L. Bean,* the court, in considering a state anti-dilution claim, found that the use of L.L. Bean's trademark in a monthly adult entertainment magazine was a noncommercial use because it was parodying an actual catalog produced by the plaintiff. 811 F.2d at 32. As the Court observed, the defendant had "not used Bean's mark to identify or market goods or services; it ... used the mark solely to identify Bean as the object of its parody." *Id.* at 33. Likewise, in this case, defendants' use of the term "Barbie" is for the purposes of parody, rather than to sell knock-off Barbie products.

***1156** The *L.L. Bean* Court also rejected the argument that mere association of a trademark with "unwholesome or negative context" is enough to make a trademark dilution claim. *Id.* at 31; *see also New Kids,* 971 F.2d at 307 n. 5 (observing that "[a] trademark may even be used lawfully in a way that many people, including the trademark owner, may find offensive"). Although plaintiff characterizes the song as including sexual innuendo, such sexual but nonobscene speech is "entitled to no less protection than other forms of expression," no matter how coarse, vulgar, or distasteful it may be to some. *L.L. Bean,* 811 F.2d at 34 (quoting *Fantasy Book Shop, Inc.* v. *City of Boston,* 652 F.2d 1115, 1126 (1st Cir.1981)); *see also Fisher,* 794 F.2d at 437 (noting that a comic song about sniffing glue was "innocuous—silly perhaps, but surely not obscene or immoral," even though its parodied another, more famous tune).

In addition, applying the trademark dilution law to parodies such as the song *Barbie Girl* raises important First Amendment questions. As the L.L. Bean Court observed,

> The central role which trademarks occupy in public discourse (a role eagerly encouraged by trademark owners), makes them a natural target of parodists. Trademark parodies, even when offensive, do convey a message. The message may be simply that business

> and product images need not always be taken too seriously; a trademark parody reminds us that we are free to laugh at the images and associations linked with the mark.... Denying parodists the opportunity to poke fun at symbols and names which have become woven into the fabric of our daily life, would constitute a serious curtailment of a protected form of expression.

L.L. Bean, 811 F.2d at 34. This Court must be wary of applying anti-dilution statutes to permit "a trademark owner to enjoin the use of his mark in a noncommercial context" simply because they find such parodies "negative or offensive." *Id.* at 33. "[A] corporation could shield itself from criticism by forbidding the use of its name in commentaries critical of its conduct," with detrimental consequences to free speech in this society.[56] *Id.*

Because defendants' speech falls within the noncommercial use exception, this Court finds that summary judgment is appropriate as to plaintiff's trademark dilution claim.[57]

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[56] Plaintiff cites to the Eight Circuit's decision *Balducci Publications*, which rejected applying *L.L. Bean* to the facts before it. *Balducci*, however, is distinguishable from the present case. *Balducci* involved an ad parody that referred to "Michelob Oily," and incorporated the logo of Michelob Dry, a beer product. The parody "suggested that Anheuser's Busch products [such as Michelob] were contaminated with oil." 28 F.3d at 778. The Court found that "[t]his unsupported attack was not even remotely necessary to Balducci's goals of commenting on [a specific] oil spill [in a water supply source used by plaintiff] and water pollution generally." *Id.* In this case, using the term "Barbie" to poke fun at Barbie is necessary for the purposes of parody. In addition, the criticism of the doll as being vacuous or sexualized—a criticism that has been made before of the doll—does not raise the same concerns of harm to business reputation as accusing a food product of being contaminated with a dangerous substance.

Although *Balducci* observed that *L.L. Bean* conflicted with the holdings of a few district court cases such as *Pillsbury* v. *Milky Way Productions*, 215 U.S.P.Q. 124 (N.D.Ga.1981), this Court finds *L.L. Beans'* analysis persuasive.

[57] Even if defendants' speech did not fall within an exception under the Act, plaintiff would potentially be entitled only to injunctive relief, as it has

***1157** G. MATTEL'S MISAPPROPRIATION AND UNJUST ENRICHMENT CLAIMS

Plaintiff also brings claims against defendants under the theories of common law misappropriation (claim seven) and common law unjust enrichment (claim nine). In California, the "doctrine of misappropriation prohibits the substantial copying of another's commercial labors even when there is no likelihood of confusion." *Toho,* 645 F.2d at 794. In *Toho,* the Ninth Circuit explicitly stated that it knew of no case "extending the misappropriation theory to trademark infringement. We believe that California courts would refuse to make such an extension." *Id.*

As to unjust enrichment, defendant claims that this theory "has no support under California law and is just another attempt to sidestep the requirements of trademark law." (Def.'s Mot. at 31). Defendants, however, cite no case that directly holds that unjust enrichment theories cannot be applied in the trademark context.

Defendants cite *Lauriedale Assoc.* v. *Wilson,* which held that "restitution will be denied where application of the doctrine

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not shown that defendants "willfully intended to trade on the owner's reputation or to cause dilution of the famous mark." 15 U.S.C. § 1125(c)(2). The evidence presented by plaintiff suggests that defendants refrained from some marketing strategies "to avoid any direct connection or conflict to Mattel or the Barbie Doll." (Pruetz Decl., Ex. X, at 402; *see also id.,* Ex. V, at 397). Plaintiff places much significance in the comments of a senior official at MCA who stated that the defendants released *Barbie Girl* as the first single in the United States because it "tak[es] a part of American culture with Barbie. By packaging the great connection with a great band, we now have this kind of phenomenon happening." (*Id.,* Ex. F1, at 222). Once again, plaintiff ignores that parody often relates to popular products or personalities in American culture—"the great connection" is between the band and the cultural images that surround Barbie. The fact that defendants intentionally target the doll for a light-hearted spoof does not undermine a court's finding that defendants did not act willfully in this context: in every case of parody, speakers intentionally target the object of their parody. *See Cliffs Notes,* 886 F.2d at 494.

would involve a violation or frustration of the law or opposition to public policy." 7 Cal. App. 4th 1439, 1449, 9 Cal. Rptr. 2d 774 (1992). The Court specifically noted that the appellants in that case had mischaracterized their legal theory as "unjust enrichment," when in fact they were seeking restitution. *Id.* at 1448, 9 Cal. Rptr. 2d 774. The Court described unjust enrichment as "the result of a failure to make restitution under circumstances where it is equitable to do so." *Id.*

Because defendants did not infringe or dilute plaintiff's trademark and because defendants have a strong interest First Amendment interest in parodying a popular brand name, this Court does not find that defendants are required under principles of equity to make restitution to plaintiff.

H. PARIS CONVENTION

Plaintiff's fifth cause of action is for unfair competition under the Paris Convention. (Pl.'s Second Am. Compl. at 23). Mattel asserts that, under 15 U.S.C. § 1126(i), it is entitled to bring suit against the foreign defendants in this case and to invoke the remedies of the Lanham Act. (*Id.* at ¶ 72).

Section 1126 deals with international conventions for the protection of trademarks and commercial names. Subsection (i) provides that United States citizens "shall have the same benefits as are granted by this section to persons described in subsection (b) of this section." 15 U.S.C. § 1126(i) (1997). Subsection (b), in turn, provides that

> [a]ny person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, ... shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty, or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this chapter.

Id. at § 1126(b).

Defendants assert that no private cause of action exists under the Paris Convention. Plaintiff responds that the "substantive provisions of unfair competition treaties, like the Paris Convention, are applicable through the Lanham Act and create a federal cause of action for unfair competition in international disputes." (Pl.'s Opp'n at 33).

In this case, plaintiff is an American corporation suing both domestic and foreign defendants.[58] Plaintiff fails to demonstrate, however, that the Paris Convention creates a separate and distinct cause of action from those already available under the Lanham Act. In *Kemart Corp.* v. *Printing Arts Research Laboratories, Inc.*, the Ninth Circuit held that "the Paris Convention was not intended to define the substantive law in the ***1158** area of 'unfair competition' of the signatory countries, but rather to set out the broad basic principles under which the laws of said countries would operate." 269 F.2d 375, 389 (9th Cir.), *cert. denied,* 361 U.S. 893, 80 S. Ct. 197, 4 L. Ed. 2d 151 (1959).

"The underlying purpose [of the Paris Convention] is that foreign nationals should be given the same treatment in each of the member countries as that country makes available to its own citizens." *Vanity Fair Mills* v. *T. Eaton Co.*, 234 F.2d 633, 640-41 (2d Cir.), *cert. denied,* 352 U.S. 871, 77 S. Ct. 96, 1 L. Ed. 2d 76 (1956). To that end, courts have recognized that, under the Paris convention, *foreign* plaintiffs can "assert a federal cause of action for acts of unfair competition which occurred in the United States." *See Maison Lazard Et Compagnie* v. *Manfra, Tordella & Brooks, Inc.*, 585 F. Supp. 1286, 1289 (S.D.N.Y.1984); *see also Majorica, S.A.* v. *Majorca Intern., Ltd.*, 687 F. Supp. 92, 96 (S.D.N.Y.1988) (holding that foreign

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[58] The foreign defendants include Universal Music International, a citizen of Great Britain; Universal Music A/S, a Denmark national; and MCA Music Scandinavia AB, a national of Sweden. (Pl.'s 2d Am. Compl. at ¶ 69). In amending its complaint, plaintiff dismissed Locomotion Kofod Schiller Film A/S, another foreign defendant.

plaintiff could "invoke the Paris Treaty together with the Lanham Act to assert a federal claim of unfair competition" but it could not require U.S. courts to apply the substantive law of foreign countries). *Cf. Toho Co.*, 645 F.2d at 792-93 (recognizing that a Japanese corporation was entitled to bring both state and federal unfair competition claims, through the Lanham Act and the Treaty of Friendship, Commerce and Navigation between the United States and Japan).

On the other hand, courts have also recognized that "the Paris Convention does *not* create 'private rights under American law for acts of unfair competition occurring in foreign countries.'" *Heerema Marine Contractors* v. *Santa Fe International Corp.*, 582 F. Supp. 445, 455 (C.D.Cal.1984) (quoting *Vanity Fair*, 234 F.2d at 640) (emphasis added). As the Second Circuit observed,

> [t]he Convention is not premised upon the idea that the trade-mark and related laws of each member nation shall be given extraterritorial application, but on exactly the converse principle that each nation's law shall have only territorial application. Thus a foreign-national of a member nation using his trade-mark in commerce in the United States is accorded extensive protection here against infringement and other types of unfair competition.... But that protection has its source in, and is subject to the limitations of, American law, not the law of the foreign national's own country. Likewise, the International Convention provides protection to a United States trade-mark owner such as plaintiff against unfair competition and trademark infringement in Canada—but only to the extent that Canadian law recognizes the treaty obligation as creating private rights or has made the Convention operative by implementing legislation.

Vanity Fair, 234 F.2d at 640-41. Thus, the Paris Convention does not create substantive law distinct from the trademark laws of individual nations.

In this case, plaintiff does not allege causes of action based on the law of England, Sweden, or Denmark (the nations where the foreign defendants are citizens). Even if it had, courts have held that "the trademark laws of a foreign country have no extraterritorial effect and cannot be asserted to support federal claims in a United States district court." *Majorica, S.A.,* 687 F. Supp. at 95. Plaintiff does not have a cause of action in this Court for actions taken by foreign defendants in foreign countries.

To the extent plaintiff is attempting to apply the Convention as to the foreign defendants' acts in *this country,* the Convention does not create a separate cause of action distinct from those already provided under federal law.[59] *See* ***1159***Kemart,*

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[59] Plaintiff cites *General Motors Corp.* v. *Ignacio Lopez de Arriortua,* for the proposition that "[t]he Lanham Act incorporates the substantive provisions of the Paris Convention and thus creates a federal law of unfair competition applicable in international disputes." 948 F. Supp. 684, 690 n. 5 (E.D.Mich.1996). The Court reached this result by invoking *Toho* and *Maison Lazard.* Those cases, however, involved foreign plaintiffs attempting to assert a federal cause of action of unfair competition for conduct that occurred in the United States. *Maison Lazard,* 585 F. Supp. at 1289; *Toho,* 645 F.2d at 793.

General Motors arguably went beyond those cases, by holding that an American plaintiff could invoke the substantive provisions of the Paris Convention, through the Lanham Act. For support, it cites 15 U.S.C. § 1126(i), which grants to U.S. citizens the "same benefits" as described in subsection (b), which extends the benefits of U.S. trademark law to foreign nations whose home countries have a treaty with the United States "relating to trademarks." *See* § 1126(b), 1126(i). The Court asserted that subsection (i) would be superfluous if it only meant "national treatment"— i.e. that countries give the same treatment to the nationals of other countries as they give to their own citizens. 948 F. Supp. at 688-89. This Court, however, is bound by *Kemart*'s holding that "the Paris Convention was not intended to define the substantive law in the area of 'unfair competition' of the signatory countries." *Kemart,* 269 F.2d at 389.

269 F.2d at 389. Defendants are therefore entitled to summary judgment as to plaintiff's fifth claim.[60]

III. MATTEL'S MOTION FOR SUMMARY JUDGMENT ON DEFENDANTS' COUNTERCLAIM

After the filing of this case by Mattel, there were a number of published accounts of the suit that quoted various employees of both MCA and Mattel. In numerous articles, a spokesperson for MCA noted that the album included a disclaimer saying that "the song *Barbie Girl* is a social commentary and was not created or approved by the makers of the doll." (Defs.' Ex. A1). A Mattel employee, Sean Fitzgerald ("Fitzgerald"), responded to that statement by noting "That's unacceptable.... It's akin to a bank robber handing a note of apology to a teller during a heist. Neither diminishes the severity of the crime, nor does it make it legal." (*Id.*).

MCA President Jay Boberg issued a press release where he stated that "We believe Mattel's claims are baseless. *Barbie Girl* is just a terrific pop song that's been embraced by the public." He also referred to the fact that there was a disclaimer on the album. (*Id.*, Ex. A2). Fitzgerald responded by noting that

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Further, although the Ninth Circuit in *Toho* held that the federal right created by 15 U.S.C. § 1126(h) on the Lanham Act was "coextensive with the substantive provisions of the treaty involved," it made this observation in the context of the Treaty of Friendship, Commerce, and Navigation between the United States and Japan. *Toho*, 645 F.2d at 792. This treaty, in turn, required that "Japanese companies be treated as favorably as domestic companies." *Id.* at 793.

Plaintiff's citations to *Pagliero* v. *Wallace China Co.*, a Ninth Circuit decision decided prior to *Kemart*, are unavailing. Although the Court speculated that it "did not think that the rights created by § 44(h) go further than the treaties [such as the Paris Convention] in this respect," the Court specifically noted that "[w]e do not attempt here to lay down definitive limits to the rights created in the Lanham Act by adoption for the conventions." 198 F.2d 339, 342 (9th Cir.1952).

[60] The Court does not reach defendants' alternative argument that they did not willfully infringe plaintiff's trademark.

"even if we found the lyrics acceptable, we would be filing this suit because the song was published and distributed without our permission and certainly without our notification. They are referring to this song as upbeat and fun, and its really our belief that unlawful exploitation of another company's property for one's own commercial gain is neither upbeat or fun. It's theft." (*Id.*).

MCA filed this counterclaim for defamation based on Fitzgerald's use of the words "bank robber," "heist," "crime," and "theft" in the context of the two statements made by him regarding Mattel's suit against MCA over the *Barbie Girl* song. Mattel now moves for summary judgement.

This Court has previously denied Mattel's motion for summary judgement. MCA argues that Mattel should not be allowed to make this motion for reconsideration because Local Rule 7.16 requires a showing of material changes in the facts or law. However, at the prior hearing, the Court stated that "when we get closer to trial, we'll see whether this claim is going to go forward or not." The Court also noted that Fitzgerald's deposition had not yet been taken. Since his state of mind is relevant to determining whether a claim for defamation exists, his deposition is important evidence. Therefore, the Court will reconsider its prior ruling.

A. STANDARD FOR DEFAMATION

Under California law, "a publication must contain a false statement of fact to give rise to liability for defamation. Even if they are objectively unjustified or made in bad faith, publications which are statements ***1160** of opinion rather than fact cannot form the basis for a libel action." *Campanelli* v. *Regents of the Univ. of Cal.*, 44 Cal. App. 4th 572, 577-78, 51 Cal. Rptr. 2d 891 (1996) (internal citations omitted). "The critical determination of whether an allegedly defamatory statements constitutes fact or opinion is a question of law for the court.... If the court concludes the statement could reasonably be construed as

either fact or opinion, the issue should be resolved by a jury." *Id.* at 578, 51 Cal. Rptr. 2d 891.

To determine the difference between opinion and fact, courts use a "totality of circumstances test," where the court puts itself "in the place of an average reader and decide[s] the natural and probable effect of the statement." *Id.* "Statements cautiously phrased in terms of apparency are more likely to be opinions." *Id.* When potentially defamatory statements are made in a context where the audience might expect the parties to persuade others to their positions by epitaphs, fiery rhetoric or hyperbole, then language that might otherwise be considered fact may well be statements of opinion. *See Baker* v. *Los Angeles Herald Examiner,* 42 Cal. 3d 254, 228 Cal. Rptr. 206, 721 P.2d 87 (1986); *see also Campanelli,* 44 Cal. App. 4th at 576, 51 Cal. Rptr. 2d 891.

In *Savage* v. *Pacific Gas & Elec. Co.,* a statement that plaintiff had "a conflict of interest" was held to be non-actionable opinion because "the determination of a conflict of interest involves instead an application of an ethical standard to facts, reflecting the exercise of judgement. The judgement may, of course, be reasonable or unreasonable; but whatever quality may be attributed to it, the expressed belief in the existence of a conflict of interest does not imply an objective fact that can be proved true or false." 21 Cal. App. 4th 434, 444-45, 26 Cal. Rptr. 2d 305 (1993).

MCA relies on the case *Milkovich* v. *Lorain Journal Co.,* 497 U.S. 1, 110 S. Ct. 2695, 111 L. Ed. 2d 1 (1990). In that case, the defendant published a newspaper article that claimed plaintiff "lied at the hearing after ... having given his solemn oath to tell the truth." *Id.* at 5, 110 S. Ct. 2695. The article essentially claimed that plaintiff had committed perjury. *Id.* The court held that there is no privilege for anything that might be labeled opinion. *Id.* at 18, 110 S. Ct. 2695. "A statement on matters of public concern must be provable as false before there can be liability under state defamation law." *Id.* at 19, 110 S.

Ct. 2695. However, this case merely sets the boundaries of federal limits to defamation suits. It does not purport to say what California law provides. The court found that the issue of whether plaintiff perjured himself could be ascertained factually under Ohio law. *Id.* at 21-22, 110 S. Ct. 2695. However, MCA must first state a claim for relief under California law, before it is necessary to determine the contours of additional federal law regarding permissible defamation actions.

Mattel relies on a post-*Milkovich* Ninth Circuit case, *Underwager* v. *Channel 9 Australia,* 69 F.3d 361 (9th Cir.1995). In *Underwager,* the defendant showed a videotape of an Australian news show in the United States at a conference that included footage of individuals disputing plaintiff's credentials and his scientific theories regarding child witnesses in sexual abuse cases. *Id.* at 363-64. The Ninth Circuit held that "to determine whether a statement implies a factual assertion, we examine the totality of circumstances in which it was made. First, we look at the statement in the broad context.... Next we turn to the specific content of the statements, analyzing the extent of figurative or hyperbolic language used and the reasonable expectations of the audience in that particular situation. Finally, we inquire whether the statement itself is sufficiently factual to be susceptible of being proved true or false." *Id.* at 366. Even when one of the panelists accused plaintiff of "lying," the court found that such an obvious "exaggeration" did not "imply a verifiable assertion of perjury." *Id.* at 367. The statement was only "nonactionable rhetorical hyperbole, a vigorous epithet used by those who considered the appellant's position extremely unreasonable." *Id.*

Underwager suggests that even though there is not an absolute protection for opinion, there is still a great amount of protection for statements that are obviously "rhetorical ***1161** hyperbole" or an obvious "exaggeration." The statements made by Mattel fit within that broad category of statements. The public would see that the two companies were involved in a lawsuit. The public would expect a vigorous debate between both sides

in the press. Such hyperbole is protected by the First Amendment, and is not subject to a defamation suit.

MCA also argues that Fitzgerald's statements amount to libel *per se* because he falsely accused MCA of committing a crime. MCA relies on *Gregory* v. *McDonnell Douglas Corp.*, for the proposition that there is no protection for "accusations that an individual has committed a crime or is personally dishonest." 17 Cal. 3d 596, 604, 131 Cal. Rptr. 641, 552 P.2d 425 (1976). However, Fitzgerald merely employed hyperbole in his statement, and was not seriously suggesting that MCA had committed a bank robbery.

MCA further contends that Fitzgerald's comments are susceptible to being proven true or false. MCA relies on *Edwards* v. *Hall,* 234 Cal. App. 3d 886, 285 Cal. Rptr. 810 (1991). In *Hall,* the defendant called plaintiff an "extortionist" and claimed that plaintiff "demanded $40,000" to avoid creating a controversy. *Id.* at 904, 285 Cal. Rptr. 810. The court noted that, standing alone, calling plaintiff an "extortionist" was "arguably hyperbolic," but that the statement regarding the demand for $40,000 could be proven true or false. *Id.* The specificity of the $40,000 allegation is quite different than the more opinionated and vague comments made by Fitzgerald. Fitzgerald's comments are not susceptible to be proven true or false. The comments were made soon after the suit was filed when there was a considerable amount of press interest. The articles and news shows that covered the issue wanted to illustrate the controversy between both sides, which is why they all featured comments from Fitzgerald, as well as from MCA employees. Thus, the comments were certainly of the type where the audience would "anticipate efforts by the parties to persuade others to their positions by use of epitaphs, fiery rhetoric or hyperbole." *See Baker,* 42 Cal. 3d at 254, 228 Cal. Rptr. 206, 721 P.2d 87; *Campanelli,* 44 Cal. App. 4th at 579, 51 Cal. Rptr. 2d 891.

The statements that referred to MCA as a "bank robber" that committed a "crime," "heist," or "theft" cannot be seen as anything but hyperbole made in the middle of an attempt to convince the public of Mattel's side in the ongoing litigation. Like the comment made in *Campanelli* that the plaintiff had caused the players to be "beaten down and in trouble psychologically," Fitzgerald's statements are not such that they can be proven in any verifiable sense. This case is also like *Savage,* where defendant opined that the plaintiff was guilty of "a conflict of interest." In both situations the speaker was making a judgement, but was not making a statement that was susceptible to an objective determination of truth or falsehood.

"The courts of appeal that have considered defamation claims after *Milkovich* have consistently held that when a speaker outlines the factual basis for his conclusion, his statement is protected by the First Amendment. As the Fourth Circuit noted 'because the bases for the conclusion are fully disclosed, no reasonable reader would consider the term anything but the opinion of the author drawn from the circumstances related.' ... Thus, we join with the other courts of appeal in concluding that when an author outlines the facts available to him, thus making it clear that the challenged statements represents his own interpretation of those facts and leaving the reader free to draw his own conclusions, those statements are generally protected by the First Amendment." *Partington* v. *Bugliosi,* 56 F.3d 1147, 1156-57 (9th Cir.1995) (internal citations omitted).

That is precisely the situation in this case. All of the allegedly defamatory statements were made in the context of a news story or program where both sides of the this lawsuit were present to discuss the suit. Thus, the public obviously knew that each side believed strongly in their position. Fitzgerald's comments were all in response to statements by MCA, and he stated the background facts, such as that MCA used the "Barbie" name without permission from Mattel, before making his ultimate conclusion that such conduct was akin to theft.

***1162** Mattel's statements were non-actionable hyperbole, and are not capable of being proven true or false. As such, MCA's claim for defamation is dismissed.

B. PUBLIC FIGURES AND ACTUAL MALICE

Federal law also provides additional protection for statements made about a public figure. A plaintiff can become a public figure in one of two ways. "In some instances an individual may achieve such pervasive fame or notoriety that he becomes a public figure for all purposes and in all contexts. More commonly, an individual voluntarily injects himself or is drawn into a particular public controversy and thereby becomes a public figure for a limited range of issues." *Gertz* v. *Robert Welch, Inc.*, 418 U.S. 323, 351, 94 S. Ct. 2997, 41 L. Ed. 2d 789 (1974). Public figure plaintiffs "must show that such statements were made with knowledge of their false implications or with reckless disregard of their truth." *Milkovich*, 497 U.S. at 20, 110 S. Ct. 2695.

1. MCA as a Public Figure

MCA contends that it is not a public figure. MCA relies on *Vegod Corp.* v. *ABC*, 25 Cal. 3d 763, 160 Cal. Rptr. 97, 603 P.2d 14 (1979). The court held that "a person in the business world advertising his wares does not necessarily become part of an existing public controversy. It follows those assuming the role of business practice critic do not acquire the First Amendment privilege to denigrate such entrepreneur." *Id.* at 770, 160 Cal. Rptr. 97, 603 P.2d 14. However, the court did note that in cases where individuals are found not to be public figures, they "never discussed the civil or criminal litigation with the press" or "[sought] publicity" on the issue. *Id.* at 769, 160 Cal. Rptr. 97, 603 P.2d 14. Likewise, the plaintiff in *Vegod* sought no publicity for running the close-out sale of a major department store. *Id.* However, MCA, a major entertainment conglomerate, sought out publicity both for its product, and about the lawsuit once it was filed. (Ex. E.) MCA engaged in a frontal assault in the news media to defend and promote the song in the face of

the lawsuit. (Ex. E.) In addition, to promote the song, MCA sent out press kits on Aqua to 800 or more media outlets. (Stein Dep. at 54, 73, 150, 159-61.)

MCA also relies on *La Costa* v. *Superior Court,* which held that "merely because a corporation sells services to the public ... and merely because it employs and has access to the media to advertise its services ... does not mean that such an ability gives the corporation the status of one with greater power of persuasion on public issues." 106 Cal. App. 3d 646, 660, 165 Cal. Rptr. 347 (1980). This case is distinguishable because the small corporation which ran one resort in *La Costa* is far different from an international conglomerate such as MCA. In addition, MCA sought out the media to promote its album, and then to defend itself from the lawsuit.

"As a general rule, public officials and figures can be said to have voluntarily exposed themselves to public scrutiny and must accept the consequences. A person is not a public figure merely because he happens to be involved in a controversy that is newsworthy. A public figure plaintiff must have undertaken some voluntary act through which he seeks to influence the resolution of the public issues involved.... In sum, when called upon to make a determination of public figure status, courts should look for evidence of affirmative actions by which purported public figures have thrust themselves into the forefront of particular public controversies." *Live Oak Publishing Co.* v. *Cohagan,* 234 Cal. App. 3d 1277, 1289, 286 Cal. Rptr. 198 (1991). Here, MCA has attempted to thrust itself into the forefront of the dispute with Mattel over the song.

The California Supreme Court has held that "while any person or organization has the right to engage in publicity efforts and to attempt to influence public and media opinion regarding their cause, such significant, voluntary efforts to inject oneself into the public arena require that such a person or organization be classified as a public figure in any related defamation actions." *Reader's Digest Ass'n* v. *Superior Court,* 37 Cal.

3d 244, 256, 208 Cal. Rptr. 137, 690 P.2d 610 (1984). The court focused on plaintiff's "massive publicity and self-promotion efforts over a period of many years" and the fact that such efforts ***1163** "increased ... with regard to the present controversy." *Id.* MCA has engaged in promoting itself and its products for many years. Such efforts increased at the time of the litigation, when MCA began sending out statements to numerous press outlets.

2. Actual Malice

"As a public figure, [plaintiff] must show by clear and convincing evidence that [defendant] in fact entertained serious doubts as to the truth of his statements or acted with a high degree of awareness of probable falsity." *Underwager*, 69 F.3d at 368. The actual malice standard is "subjective in nature, provable only by evidence that the defendant realized his statement was false or that he subjectively entertained serious doubts as to the truth of his statement." *Live Oak*, 234 Cal. App. 3d at 1288, 286 Cal. Rptr. 198.

Mattel argues that MCA has provided no evidence, and certainly not clear and convincing evidence, that Fitzgerald had actual, serious doubts concerning the truth of his statements, nor that he acted recklessly in making such statements.[61] MCA contends that there is sufficient circumstantial evidence to allow a jury to conclude that malice is present.

California law defines "actual malice" as "that state of mind arising from hatred or ill will toward plaintiff; provided, however, that such a state of mind occasioned by a good faith belief on the part of the defendant in the truth of the libelous

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[61] Mattel cites to a number of cases, dating back to 1894, where various courts have equated trademark violations with theft or stealing. Mattel also points to a brief filed by MCA and its counsel Mr. Frackman, in another case, where Mr. Frackman describes the violation of MCA's trademark as "thievery" and "stealing." These arguments are not helpful because the cases cited are not in the defamation context, and Mattel seems to be making the assumption that there in fact has been a trademark violation.

publication or broadcast at the time it is published or broadcast shall not constitute actual malice." Cal. Civ. Code § 48a(4)(d). "The question whether the evidence in the record in a defamation case is sufficient to support a finding of actual malice is a question of law.... The meaning of terms such as 'actual malice' and, more particularly, 'reckless disregard' however, is not readily captured in one infallible definition.... The rule is premised on the recognition that judges, as expositors of the constitution, have a duty to independently decide whether the evidence in the record is sufficient to cross the constitutional threshold that bars the entry of any judgement that is not supported by clear and convincing proof of actual malice." *Harte-Hanks Communications, Inc.* v. *Connaughton,* 491 U.S. 657, 685-86, 109 S. Ct. 2678, 105 L. Ed. 2d 562 (1989).

MCA argues that the fact that Mattel sued MCA merely because a song poked fun at Barbie, is evidence that Mattel had ill-will and hostility for MCA. However, ill-will is not the standard for constitutional malice. *See id.* at 666, 109 S. Ct. 2678 ("It is also worth emphasizing that the actual malice standard is not satisfied merely through a showing of ill will or malice in the ordinary sense of the term.").[62] MCA must prove that Mattel knew the statement was false, or was reckless in not so determining. There is no evidence whatsoever, and certainly not clear and convincing evidence, that Fitzgerald or Mattel knew the statements were false. Thus, the only way that MCA can avoid summary judgement is if they show clear and convincing evidence of reckless disregard.

MCA argues that Mattel acted with reckless disregard for the truth because Fitzgerald lacked knowledge about trademark or defamation law. MCA also contends that Fitzgerald himself

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[62] Many of MCA's cases deal with malice in the situation of state privileges, and not malice in the constitutional defamation context. *See Sanborn* v. *Chronicle Pub. Co.,* 18 Cal. 3d 406, 413, 134 Cal. Rptr. 402, 556 P.2d 764 (1976) (discussing malice in the context of Cal. Civil Code § 47(3).).

admitted that he did not think the song was put out by Mattel when he first heard it. Finally, MCA contends that Fitzgerald acted recklessly because he had no notes with him when he made the statements to the press, and then never retracted them once they were out. All of this evidence taken together is insufficient to show that Mattel acted with reckless disregard for the truth. At best, it shows some negligence. The Supreme Court has held ***1164** that "failure to investigate before publishing, even when a reasonably prudent person would have done so, is not sufficient to establish reckless disregard." *Id.* at 668, 109 S. Ct. 2678.

MCA has the burden to show clear and convincing evidence of malice. As a public figure, MCA must meet a high burden to prove its defamation claim against Mattel. MCA has failed to do so.

IV. CONCLUSION

For the forgoing reasons, the Court DENIES defendants' motion to dismiss foreign defendants for lack of personal jurisdiction, subject matter jurisdiction, and forum non conveniens.

The Court hereby GRANTS defendants' motion for summary judgment as to all of plaintiff's claims. The Court also GRANTS plaintiff's motion for summary judgment as to defendants' counterclaim for defamation. The Court DENIES plaintiff's motion for reconsideration of its Order denying plaintiff a preliminary injunction. To the extent plaintiff orally moved at the April 30th hearing for summary judgment on its trademark infringement claims, the Court DENIES that motion.

All previously assigned dates are vacated.

APPENDIX D

CONSTITUTIONAL AND STATUTORY PROVISIONS

Amendment I of the U.S. Constitution provides:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

Section 32 of the Lanham Act, 15 U.S.C. § 1114, entitled "Remedies; infringement; innocent infringement by printers and publishers," provides:

> (1) Any person who shall, without the consent of the registrant -
>
> > (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
> >
> > (b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

* * * *

Section 43(a) of the Lanham Act, 15 U.S.C. §1125(a), entitled "civil action," provides:

(1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact,

which –

(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

(B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities,

shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

(2) As used in this subsection, the term "any person" includes any State, instrumentality of a State or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such

instrumentality, officer, or employee, shall be subject to the provisions of this chapter in the same manner and to the same extent as any non-governmental entity.

(3) In a civil action for trade dress infringement under this chapter for trade dress not registered on the principal register, the person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional.

The Federal Trademark Dilution Act, 15 U.S.C. § 1125(c), entitled "dilution of famous marks," provides:

(1) The owner of a famous mark shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person's commercial use in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to–

(A) the degree of inherent or acquired distinctiveness of the mark;

(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;

(C) the duration and extent of advertising and publicity of the mark;

(D) the geographical extent of the trading area in which the mark is used;

(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks' owner and the person against whom the injunction is sought;

(G) the nature and extent of use of the same or similar marks by third parties; and

(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

(2) In an action brought under this subsection, the owner of the famous mark shall be entitled only to injunctive relief as set forth in section 1116 of this title unless the person against whom the injunction is sought willfully intended to trade on the owner's reputation or to cause dilution of the famous mark. If such willful intent is proven, the owner of the famous mark shall also be entitled to the remedies set forth in sections 1117(a) and 1118 of this title, subject to the discretion of the court and the principles of equity.

(3) The ownership by a person of a valid registration under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register shall be a complete bar to an action against that person, with respect to that mark, that is brought by another person under the common law or a statute of a State and that seeks to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.

(4) The following shall not be actionable under this section:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.

(B) Noncommercial use of a mark.

(C) All forms of news reporting and news commentary

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No. 02-633

In The
Supreme Court of the United States

MATTEL, INC.,

Petitioner,

v.

MCA RECORDS, INC., UNIVERSAL MUSIC INTERNATIONAL LTD., UNIVERSAL MUSIC A/S, MCA MUSIC SCANDINAVIA AB, AND UNIVERSAL MUSIC & VIDEO DISTRIBUTION, INC.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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CORPORATE DISCLOSURE STATEMENT

Pursuant to Rule 29.6, respondents MCA Records, Inc., Universal Music International Ltd., Universal Music A/S, MCA Scandinavia AB, and Universal Music & Video Distribution, Inc., state that they are ultimately owned 92% by Vivendi Universal S.A., and 8% by Matsushita Electric Industrial Co., Ltd., both publicly held companies.

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PRELIMINARY STATEMENT

Mattel, Inc.'s ("Mattel") petition for a writ of *certiorari* should be denied because the Ninth Circuit's opinion is consistent with the approach of circuit courts that have considered trademark infringement claims where a trademark is used in an expressive work, or as the title of that work. In such cases, the Courts of Appeals recognize that the First Amendment adds an overriding constitutional dimension to an otherwise purely statutory determination. Only where the title has no artistic relevance to the underlying work and explicitly misleads as to the source or content of the work, or the work uses the trademark to comment on something unrelated to it, is it appropriate to treat the claim as any other trademark action. These exceptions were not present in this case, as both the Ninth Circuit and the District Court determined.

The Ninth Circuit's decision neither broke new ground nor deviated from precedent; rather, it adopted and followed the standard in the leading case on the issue, *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989). (*Rogers* implicitly had been the standard in the Ninth Circuit until its express adoption in this case.) The rationale of the Second and Ninth Circuit approach also is consistent with that in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), in which this Court affirmed strong First Amendment protection for parody (the expressive use at issue here) in the analogous area of copyright infringement.

Mattel further misapprehends the application of the Federal Trademark Dilution Act, 15 U.S.C. § 1125(c), and what constitutes commercial speech. It erroneously contends that the use of a trademark in an expressive work, and as a title of that work, stops being noncommercial

speech under 15 U.S.C. § 1125(c)(4)(B) once the work is sold to the public. What Mattel gets wrong is that the speech involved here – the song *Barbie Girl* and its title – is entirely expressive speech that does not propose a commercial transaction. Just because MCA sold its parody rather than giving it away in no way undermines that the song itself is noncommercial speech entitled to the full protection of the First Amendment.

Finally, Mattel rests its arguments on numerous factual misstatements that have no basis in the record. As to these points, the District Court either based its ruling on undisputed facts that were contrary to Mattel's current argument, or determined that Mattel had failed to present sufficient uncontroverted facts to enable the District Court to rule in Mattel's favor.

For all the foregoing reasons, respondents respectfully submit that the petition for a writ of *certiorari* should be denied.

REASONS TO DENY THE PETITION

I. The Ninth Circuit's Decision Is Consistent With The First Amendment And Other Circuits.

A. The Ninth Circuit Expressly Adopted *Rogers v. Grimaldi*.

The Ninth Circuit did not "abandon" what Mattel labels the "traditional likelihood-of-confusion test" for trademark infringement under the Lanham Act when it affirmed the District Court's grant of summary judgment in favor of respondents MCA Records, Inc., Universal Music International Ltd., Universal Music A/S, MCA Scandinavia

AB, and Universal Music & Video Distribution, Inc. (collectively "MCA"), dismissing Mattel's trademark claims concerning the popular song *Barbie Girl* which poked fun at Mattel's cultural icon the Barbie doll and its ubiquitous influence on society. It is *Mattel's* argument that advocates abandoning the traditional approach courts have applied in trademark cases that involve literary titles or parody.

Recognizing the First Amendment implications of its analysis, the Ninth Circuit expressly adopted the formulation in *Rogers v. Grimaldi, supra.* Pet. App. 8a. In *Rogers*, the Second Circuit held that the use of the title *Ginger and Fred* for a motion picture about fictional cabaret performers who imitated Ginger Rogers and Fred Astaire did not constitute trademark infringement despite survey evidence indicating that some members of the public could draw the incorrect inference that Rogers had some involvement with the film. *Rogers*, 875 F.2d at 1001. (The Court even assumed some people would be misled.) Nevertheless, the Court determined that the title was an integral element of the film and the film maker's artistic expression. *Id.* Therefore, the risk of consumer confusion "is so outweighed by the interests in artistic expression as to preclude application of the Lanham Act." *Id.*

Significantly, the Second Circuit in *Rogers* did not apply the likelihood of confusion factors of *Polaroid Corp. v. Polaroid Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961), or state that analysis of those factors was necessary before it could affirm summary judgment. Instead, the Court engaged in an analysis of potential confusion that was tailored to the specific use at issue – a film title. The Second Circuit later applied *Rogers* to parody in *Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, Inc.*, 886 F.2d 490 (2d Cir. 1989).

That is what the Ninth Circuit did here: it struck a balance between free expression and the trademark laws. Like the Second Circuit, the Ninth Circuit integrated the two inquiries into a synthesized standard that protects legitimate First Amendment rights as well as those of trademark holders. Based on the extensive (and undisputed) record before it, which included copies of the song, its lyrics, and its packaging,[1] the Ninth Circuit held that use of the term "Barbie" in the song title *Barbie Girl* clearly was relevant to the underlying work, which was a song parodying Barbie and the values the band Aqua saw that the Barbie doll represented. Pet. App. 8a. It further held that the song title *did not explicitly mislead as to the source of the work* and did not suggest, explicitly or otherwise, that the song was produced by Mattel. *Id.* This holding plainly contradicts Mattel's assertion here that the Ninth Circuit failed to consider the likelihood of confusion when it affirmed the grant of summary judgment. (The District Court *also* engaged in an analysis of the likelihood of confusion factors as stated in *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979), and found against Mattel. That determination was left undisturbed by the Ninth Circuit.[2])

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[1] The District Court had before it an extensive record on Mattel's unsuccessful motion for preliminary injunction (Pet. App. 21a-50a) and MCA's motion for summary judgment (Pet. App. 83a-118a).

[2] The Ninth Circuit acknowledged that the District Court had determined that MCA's use of the term Barbie was not likely to confuse consumers as to Mattel's affiliation with *Barbie Girl*. Pet. 2a. Additionally, the Court of Appeals noted that the likelihood of confusion test also governed Mattel's state law claims for unfair competition, and affirmed the District Court's grant of summary judgment against Mattel on those claims as well. Pet. App. 8a n.1.

The Ninth Circuit expressly adopted the approach of the Court in *Rogers*: "We agree with the Second Circuit's analysis and adopt the Rogers standard as our own." Pet. App. 8a. The Ninth Circuit took a similar tack ten years ago in a related context in *New Kids On The Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992), declining to apply the *Sleekcraft* factors where there was a non-trademark use of a mark (defendants had used a trademark to describe the plaintiff's product, rather than their own).[3] Similarly, courts that have addressed the issue of parody or use of literary titles in trademark infringement actions have followed approaches similar to that of *Rogers* and the opinion below. For example, in *Lyons Partnership v. Giannoulas*, 179 F.3d 384 (5th Cir. 1999), the Fifth Circuit recognized that the likelihood of confusion factors are unwieldy when the use of the mark is in a parody, that "parody should be treated differently from other uses that infringe on a trademark," and that an analysis of confusion must in all instances be conducted with reference to the parodic use of the mark. *Id.*, 179 F.3d at 390. *See also Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316,

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[3] In that case, defendants used the trademark "New Kids On The Block" in newspaper opinion polls that asked readers questions about that well-known musical group. Recognizing that the mark at issue was being used in a non-trademark way – to refer to the band – the circuit court held that defendants' use was one to which the infringement laws did not apply. Consequently, such a use would not deceive the public and constituted a "nominative fair use." *New Kids*, 971 F.2d at 307-08. The District Court also granted summary judgment against Mattel based on the *New Kids* standard, an independent ground the Ninth Circuit did not reach. Pet. App. 8a.

321 (4th Cir. 1992) (parody of design of Budweiser beer label protected; the multi-factored inquiry "is at best awkward in the context of parody," which necessarily invokes the original trademark but also diminishes risk of consumer confusion); *L.L. Bean, Inc. v. Drake Publishers, Inc.*, 811 F.2d 26, 33 (1st Cir. 1987) (article in magazine parodying L.L. Bean's outdoor wear catalog protected speech; "application of the Maine anti-dilution statute to [defendant's] noncommercial parody cannot withstand constitutional scrutiny").

Moreover, numerous courts have recognized that, even in traditional trademark infringement actions, the likelihood of confusion factors simply are

> helpful *guidelines* to the district court. *These tests were not meant to be requirements* or hoops that a district court need jump through to make the determination. Our court has never articulated specific factors that a district court must recite and apply, instead, we have identified a *non-exclusive* series of factors that are *helpful* in making the ultimate factual determination.

Eclipse Associates Ltd. v. Data General Corp., 894 F.2d 1114, 1118 (9th Cir. 1990) (emphasis added). *See also, e.g., Lois Sportswear, U.S.A., Inc. v. Strauss & Co.*, 799 F.2d 867, 872 (2d Cir. 1986) (factors are designed to help in the ultimate determination of likelihood of confusion, not to be applied as a rigid formula); *A & H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 214-215 (3d Cir. 2000) ("the factors are meant to be tools, not hurdles. . . . A district court should utilize the factors that seem appropriate to a given situation"); *L. & L. Wings*, 962 F.2d at 320 (factors not a "rigid formula" for infringement; "not all of the factors are of equal importance, nor are they always

relevant in any given case"); *Lyons Partnership,* 179 F.3d at 388 (factors "non-exclusive and non-dispositive"); *Wynn Oil Co. v. Thomas*, 839 F.2d 1183, 1186 (6th Cir. 1988) ("factors are simply a guide to help determine whether confusion would be likely to result.... They imply no mathematical precision"); *see also Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1338 (Fed. Cir. 2001) (TTAB need not discuss every factor; sufficient to focus analysis on dispositive factors).

In the face of this precedent, Mattel nevertheless argues to elevate to paramount significance (above even the First Amendment) a non-standard list of nonexclusive factors, the importance of which necessarily differs from case to case, that is used in various ways by courts in typical trademark infringement cases (those not involving First Amendment concerns). Mattel advocates the transformation of these fluid, merely "helpful guidelines" into what Mattel terms a "test" to be rigidly applied even in cases involving literary titles and parody, where use of the factors is awkward at best.

To advance this position, Mattel is forced to argue essentially that the Second Circuit somehow has retreated from its seminal opinion in *Rogers*. However, the cases on which Mattel relies simply reinforce what has long been recognized: expressive speech is different and must be treated differently in trademark infringement cases to ensure that First Amendment rights are not violated. For example, in *Cliffs Notes, supra,* the Second Circuit expressly recognized that the *Rogers* framework applies to parody. "We believe that the overall balancing approach of *Rogers* and its emphasis on construing the Lanham Act 'narrowly' when First Amendment values are involved are both relevant in this case." *Id.*, 886 F.2d at 494. The

Second Circuit also rejected the notion that rigid application of the *Polaroid* factors – the approach Mattel here advances – is appropriate: "The *Polaroid* test is at best awkward in the context of parody, which must evoke the original and constitutes artistic expression." *Id.*, 886 F.2d at 495 n.3. Accordingly, the Court reaffirmed that First Amendment considerations are primary in any confusion analysis, and on that basis reversed the finding of likelihood of confusion.

Similarly, in *Twin Peaks Productions, Inc. v. Publications International, Ltd.*, 996 F.2d 1366 (2d Cir. 1993), the Second Circuit reaffirmed that likelihood of confusion must be "particularly compelling to outweigh the First Amendment interest recognized in *Rogers*." *Id.*, 996 F.2d at 1379. The Court vacated a determination of trademark infringement because the District Court had not engaged in the balancing mandated by *Rogers* and had failed to determine whether evidence of confusion was so great that it could overcome the presumption of First Amendment protection. The other cases on which Mattel relies (Pet. 12) either did not involve parody, or were cases where the trademark was used to parody something unrelated to it – dispositively different contexts than here.[4] *See, e.g., Dr.*

[4] In the one exception, *Nike, Inc. v. Just Did It Enters.*, 6 F.3d 1225 (7th Cir 1993), the Court of Appeals reversed and remanded a district court's grant of summary judgment in favor of plaintiff on its claim that a parody of the Nike mark was confusing, admonishing the District Court that there was insufficient evidence that defendant's parody was confusing as a matter of law, and emphasizing that the primary consideration in the case was parody: "If the defendant employs a successful parody, the customer would not be confused, but amused." *Id.*, 6 F.3d at 1228.

Seuss Enters., L.P. v. Penguin Books, USA, Inc., 109 F.3d 1394 (9th Cir. 1997) (explaining difference between works that parody a trademark, which are Constitutionally protected, and using a trademark to create and sell a work about an entirely unrelated subject); *see also Campbell*, 510 U.S. at 580 (difference between using elements of copyrighted work to comment on original as opposed to instances where "the commentary has no critical bearing on the substance or style of the original composition").

B. Mattel's Focus On Marketing Was Considered By The Ninth Circuit And Does Not Change The Analysis.

Mattel embroiders its argument by also erroneously contending that the courts below failed to take into account the manner in which MCA purportedly marketed the *Barbie Girl* song. Contrary to Mattel's contention, the Ninth Circuit did not rule that marketing efforts are immune from liability "simply because they sought to promote an expressive work." Pet. 9. The primary evidence of marketing was MCA's reference to the title of the song – itself a permissible, protected use – in its promotion of the song. Given that MCA had the right to title its parody *Barbie Girl*, it certainly could (and must) use that title when promoting the song. Were this not so, the result would be illogical: a parodist could lampoon a subject, even refer to that subject in the title of the parody, but could not refer to the title of the work when attempting to sell it. It is hardly surprising, for example, that in *Rogers*, all the advertising and posters for the film used the title, as did press materials. *See Rogers v. Grimaldi*, 695 F. Supp. 112, 114 & n.2, 120 (S.D.N.Y. 1988). While it is true that Mattel *claimed* that the manner MCA promoted the song created

a likelihood of confusion, the District Court considered that contention and nevertheless held against Mattel based on the undisputed facts. *See § III infra.* (Mattel did not identify an issue relating to marketing efforts in its Statement of Issues on appeal.) That determination by the District Court was not disturbed by the Ninth Circuit.

II. The Ninth Circuit Correctly Interpreted The Dilution Act As Required By The First Amendment, And Consistently With Existing Law.

A. The Dilution Act May Not Regulate A Work Of Creative Expression, Which Is Not Commercial Speech.

As the Ninth Circuit recognized, the legislative history is express that the Dilution Act "will not prohibit or threaten noncommercial expression, such as parody, satire, editorial and other forms of expression that are not part of a commercial transaction." Pet. App. 13a. Mattel acknowledges that Congress neither "intend[ed] the [Dilution] Act to 'prohibit or threaten "noncommercial" expression, as that term has been defined by the courts,'" nor "to alter existing case law on the subject of what constitutes 'commercial' speech." Pet. 14, *citing* H.R. Rep. No. 104-374, at 4. Mattel's principal argument –that the Ninth Circuit "invented" a definition of "commercial speech" that it applied to the Dilution Act – misstates both the Ninth Circuit's opinion and the law.

The Court of Appeals repeated and applied the traditional definition of "commercial speech": speech that "does no more than propose a commercial transaction." Pet. App. 15a, *quoting Hoffman v. Capital Cities/ABC, Inc.*, 255 F.3d 1180, 1184 (9th Cir. 2001), *and Bolger v.*

Youngs Drug Prod's Corp., 463 U.S. 60, 66 (1983). "If speech is not 'purely commercial' – that is, if it does more than propose a commercial transaction – then it is entitled to full First Amendment protection." Pet. App. 15a, *citing Hoffman*, 255 F.3d at 1185-86. The Court recognized that any application of the Dilution Act to such noncommercial speech necessarily would "create a constitutional problem, because it would leave the FTDA with no First Amendment protection for dilutive speech other than comparative advertising and news reporting." Pet. App. 11a.

The definition of commercial speech applied by the Ninth Circuit is firmly established in this Court. *See Bolger*, 463 U.S. at 66 (the "core notion of commercial speech" is that it "does no more than propose a commercial transaction") (quotations omitted); *City of Cincinnati v. Discovery Network, Inc.*, 507 U.S. 410, 424 (1993) (defining "core commercial speech" as "speech which does no more than propose a commercial transaction"); *see also Virginia State Bd. of Pharmacy v. Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976). But even if there existed other definitions, this is not the case in which to explore that concept because the speech here would not be "commercial" under any reasonable definition: it consists of a parodic song that pokes fun at a cultural icon.

Mattel attempts to gloss over this dispositive fact by falling back on its meritless "marketing" argument, contending that it is the *marketing* of the *Barbie Girl* song that is commercial speech. But this formulation fares no better here than it does on Mattel's trademark infringement claim. If MCA is permitted to parody the Barbie doll and what it represents, then it necessarily can (in fact, must) refer to the title of its parody when it promotes the song. Under Mattel's construct, parody would lose

constitutional protection once the parodist tried to sell the parody. But selling copies of *Barbie Girl* does not transform the song or its title into commercial speech. *See Virginia State Bd. of Pharmacy,* 425 U.S. at 761 ("speech does not lose its First Amendment protection because money is spent to project it"); *Smith v. California*, 361 U.S. 147, 150 (1959) (for First Amendment purposes, "[i]t is of course no matter that the dissemination [of books] takes place under commercial auspices"); *Joseph Burstyn, Inc. v. Wilson*, 343 U.S. 495, 501-502 (1952) ("That books, newspapers, and magazines are published and sold for profit does not prevent them from being a form of expression whose liberty is safeguarded by the First Amendment"; applying rationale to motion pictures).

Nor is there any support for Mattel's contention that "hybrid" speech (even assuming that were the speech involved here) deserves lesser protection under the Dilution Act. To the contrary, where commercial and noncommercial speech are intertwined, the speech is accorded full First Amendment protection. *See Riley v. National Federation of the Blind of North Carolina, Inc.*, 487 U.S. 781, 796 (1988) ("we do not believe that the speech retains its commercial character when it is inextricably intertwined with otherwise fully protected speech. . . . Thus, where, as here, the component parts of a single speech are inextricably intertwined . . . we apply our test for fully protected expression").

The cases cited by Mattel do not change this analysis – they involved *commercial* speech that had not become an inextricably-intertwined "hybrid." *See Board of Trustees v. Fox*, 492 U.S. 469, 474-75 (1989) ("Tupperware parties" to sell housewares); *Anderson v. Treadwell*, 294 F.3d 453, 460 (2d Cir. 2002) (in-home solicitations by real estate agents).

Ultimately, however, this argument is irrelevant, given that MCA's song was purely noncommercial speech.

B. The Decision Does Not Conflict With Existing Law.

Mattel incorrectly contends that the Court of Appeals' decision conflicts with other cases interpreting state dilution statutes. One, *L.L. Bean,* 811 F.2d 26, *supra*, involved the *dismissal* of a dilution claim against a magazine that published a parody of plaintiff's product. That case is entirely consistent with this one – MCA merely sold the song embodying the parody, just as the defendant in *L.L. Bean* sold the magazine containing the parody.

Anheuser-Busch, Inc. v. Balducci, 28 F.3d 769 (8th Cir. 1994), another case cited by Mattel for this point, was a parody advertisement case involving a fake ad for "Michelob Oily." The *Balducci* Court distinguished *L.L. Bean* on its specific facts without rejecting its holding. The Court found infringement in addition to dilution, based on a factual record that the defendant displayed "very strong trademarks . . . virtually unaltered in the ad parody" and that

> no significant steps were taken to remind readers that they were viewing a parody and not an advertisement sponsored or approved by Anheuser-Busch. Balducci carefully designed the fictitious ad to appear as authentic as possible. Several of Anheuser-Busch's marks were used with little or no alteration. The disclaimer is virtually undetectable. Balducci even included a (R) symbol after the words Michelob Oily. These facts suggest that Balducci sought to do far more than just

> "conjure" up an image of Anheuser-Busch in the minds of its readers.

Id., 28 F.3d at 774. Given those starkly different facts, *Balducci* did not conflict with this case. The other cases that Mattel cites either did not involve a parody *of* a trademark, but rather use of a mark to "parody" something unrelated to it, *see Harley-Davidson, Inc. v. Grottanelli*, 164 F.3d 806 (2d Cir. 1999); *Mutual of Omaha Ins. Co. v. Novak*, 836 F.2d 397 (8th Cir. 1987); *Chemical Corp. of America v. Anheuser-Busch, Inc.*, 306 F.2d 433 (5th Cir. 1962), or, as Mattel admits, did not even involve an expressive use, *see Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2d Cir. 1999).

III. The Petition Misstates And Omits Significant Facts.

Mattel incorrectly states, or fails to state, significant facts from the record. That it does so is understandable; the undisputed facts below defeat Mattel's contention that the marketing of *Barbie Girl* could or did confuse consumers. The more pertinent (but not the only) misstatements and omissions are set forth here.

There was no "Barbie music and music-related products," and consequently no market for such products. Pet. 2. None of Mattel's trademark registrations listed in its complaint applied to records, CDs, or cassettes. Additionally, several high-level Mattel employees admitted that they were unaware of any stand-alone CDs, audiocassettes or vinyl records of prerecorded music sold by Mattel at the time of the suit (other than music sold with a toy or as part of computer software or videos). Pet. App. 95a-96a. The few products on which Mattel focused were at most

"simply toys with accompanying music." Pet. App. 96a. Mattel failed to present any evidence that it currently was selling music, "except for a few products that are sold as toys in toy departments and are often accompanied by one of [Mattel's] dolls." Pet. App. 46a. In addition, Mattel did not provide any evidence that even these products were still being marketed at the time of the suit, and/or that consumers were aware of those products at the time. Pet. App. 96a. Mattel's products primarily were dolls, clothing, and assorted other similar products – not music or songs. Pet. App. 103a.

Mattel failed to present sufficient evidence of the core market for its toy products. In the District Court, Mattel refused to describe precisely its core target market for its toys, although some Mattel employees stated that purchasers were principally girls aged 3 to 11 (Pet. App. 45a, 104a), a range that Mattel repeats in its petition. Pet. 2. Even now, however, Mattel fails to provide clarity, continuing to assert different age ranges. Pet. 3. In the District Court, it went so far as to claim that its target audience was ages "zero to 100 plus." Pet. App. 104a. Ultimately, the District Court determined that the average buyer of *Barbie Girl* was a teenager, while Mattel's evidence variously claimed that its primary purchasers "were young children and adults – two groups distinct from teenagers" (Pet. App. 105a), rejecting Mattel's assertion that there was significant overlap between the market for its toys and the market for the *Barbie Girl* song.

There was no "Barbie pink." Pet. 3, 8. There was no evidence that MCA was marketing the *Barbie Girl* song either with "bright pink" or a pink similar to what Mattel claimed was "Barbie pink." Mattel also failed to show that its use of the color pink was protectible. Rather, the

undisputed facts were that the color pink is used on many products associated with young girls, and Mattel provided no evidence that its pink differed from that used on such other products. Pet. App. 33a, 39a n.18, 109a. Even Mattel's pending (but not yet accepted) application for trade dress registration was only for an image of the word Barbie with stylized, slanted, *white* lettering, apparently on a pink background, for dolls, doll clothing, and doll accessories only – not records, music, or CD products. Pet. App. 109a-110a. (Mattel abandoned its trade dress claim in its opposition to MCA's motion for summary judgment, although it unsuccessfully tried to resurrect it on appeal.)

MCA did not market the Barbie Girl song using similar motifs purportedly associated with Barbie toys. Pet. 4, 8. The marks used on MCA's products were not similar to Mattel's, and they employed different lettering, styles, and colors. For example, while the packaging of Mattel's toys generally included either an image of the Barbie or Ken doll, or revealed the actual doll, none of MCA's packaging had an image of any doll, resembling Barbie or not. Pet. App. 41a, 98a-99a. All of MCA's music CDs had a picture on their covers of the four band members, none of whom resembled Barbie or Ken. *Id.* MCA's CD album was mostly blue with a watery blue background, not pink, and utilized large rounded block lettering to identify the band name, "Aqua," and the album title, "Aquarium." The songs on the album, including *Barbie Girl*, were listed in small-size yellow lettering. Pet. App. 34a, 42a, 99a, 110a. The back of the album contained an asterisk denoting that the *Barbie Girl* song was "a social comment and was not created or approved by the makers of the doll," and also contained a notice that respondent MCA Records was the copyright holder. Pet. App. 42a.

None of the lettering was pink. In fact, pink did not appear anywhere on the front or back of the CD or cassette album case. Pet. App. 110a. In sum, according to the District Court: "This album is quite dissimilar from the style of packaging used on any of plaintiff's products." Pet. App 42a; *see also* Pet. App. 33a n.14.

Such differences were also present on the CD single version of the song, the packaging of which contained the name "Aqua" in big blue letters on the front cover, with use of light pink for some lettering, as well as a picture of the band. Pet. App. 34a, 42a, 110a-111a. The only other time that any shade of pink was used in MCA's packaging was with the CD-ROM version of *Barbie Girl*, where the title appeared in pink block lettering. Even in that instance, the letters were shadowed in dark pink outlined in both light and dark pink, together with rounded blue letters spelling the name "Aqua" with a white and blue outline. Pet. App. 110a-111a. The undisputed facts before the District Court (evidenced by copies of the album) were that this use of pink "differs significantly from the white-on-pink lettering that Mattel is attempting to claim as its trade dress. The curved, relatively thin lettering used by Mattel is quite distinct from pink block lettering used by Barbie Girl." Pet. App. 111a.

The promotional video used by MCA did not use props similar to "Barbie's Dream House." Pet. 4, 8. The *Barbie Girl* video bore little resemblance to the way Mattel packaged its products. According to the District Court, although the set of the video might invoke images of Barbie accessories, it was consistent with the band's attempt to parody the "Barbie fantasy world." Pet. App. 27a. The band members looked nothing like the dolls they spoofed; for example, the pretend Barbie character had a

tattoo and dark hair, and the pretend Ken character had a clean-shaven head, substantially different from Mattel's toys. Pet. App. 44a.

There were no "heart-shaped purses," only boxes, which were never used. MCA did not "produce[ ] a run of pink, heart-shaped purses." Pet. 4. As the record to which Mattel cites demonstrates, the items were boxes, not purses, and they were purchased by one respondent in England. ER 1199-1201. More significantly, Mattel did not present any evidence that consumers were even aware of the boxes, and for good reason – they never were intended to be, and never were, sold to consumers. Pet. App. 107a.

A handful of ambiguous e-mails was not indicative of confusion. Mattel claims that it received a few e-mails from young girls who allegedly thought Mattel was responsible for the *Barbie Girl* song. Pet. 4. However, the e-mails (an insignificant number in light of the thousands of e-mails that Mattel received) often either simply repeated the lyrics of the song, stated that the sender "loved" the song, or even explicitly recognized that the song was *not* approved by Mattel. The e-mails were ambiguous at best as to whether the writers believed Mattel was responsible for the song. Pet. App. 101a. According to the District Court, the evidence that Mattel presented on this point was "de minimis" and insufficient to demonstrate actual confusion. Pet. App. 101a; *see also* Pet. App. 44a.

The District Court properly gave little weight to Mattel's severely flawed survey, which did not indicate confusion in any event. Mattel erroneously claims that a survey it commissioned provided evidence of actual confusion. Pet. 4. The survey was severely flawed, entitling the District Court to give it little weight. *See Scott Paper Co. v. Scott's Liquid Gold, Inc.*, 589 F.2d 1225, 1231 (3d Cir.

1978). (Mattel also itself conducted a second survey which was so defective that Mattel does not even mention it in its petition. Pet. App. 72a.) Moreover, only *4 percent* of participants in the flawed survey indicated that they believed that Mattel or Barbie was the company that "puts out the [MCA] music video and CD (music CD)." Even when coupled with a second, misleading and improper question, only 17 percent answered that Mattel or Barbie was the company "connected with or [that] gave permission" for MCA's CD and video. Pet. App. 100a. The District Court was correct in not crediting this insufficient evidence of confusion.

Mattel's toys and MCA's song were not sold in the same retail channels. Contrary to Mattel's assertion that there were similar channels of distribution for Mattel's toys and MCA's song (Pet. 12), Mattel failed to show that *any* of its products were sold in the music sections of stores where MCA's CDs were sold. Pet. App. 101a. Mattel failed to present any evidence of even a *single instance* in which its toy products were sold among music CDs and cassettes at stores that sold both products. Pet. App. 102a. Nor did Mattel present evidence that any of its Barbie-related products were sold in music departments of stores, or that *Barbie Girl* was sold in stores except with other music. Pet. App. 40a-41a. The evidence was just the opposite. Pet. App. 40a-41a, 101a-102a. Additionally, the manner in which MCA's song and Mattel's toys were promoted was different. Pet. App. 103a.

There were no Barbie Girl "products." Pet. 8. There were no such things as "Barbie Girl products" marketed by MCA. In the words of the District Court, "the only product here is *one* song, *Barbie Girl*, which is sold in different forms and is performed by a new group that will be using totally different songs in future productions." Pet. App. 46a, 107a.

The facts below do not support the other points Mattel raises in its petition. The District Court made no determination as to whether, as Mattel now claims, MCA "attempted" to sell the *Barbie Girl* song at Toys 'R' Us, or that it "considered" advertising on Nickelodeon. Pet. 4, 8. Even were it true that MCA "attempted" or "considered" such (permissible) activities, *it was uncontroverted that MCA did not engage in them.* Nor did the District Court deem significant Mattel's assertion that NBC purportedly refused to air an advertisement for the song without a disclaimer. Again, even if true, this would be irrelevant to Mattel's claims.

CONCLUSION

Respondents put out a classic form of parody in a light-hearted pop song that poked fun at one of the most famous and ubiquitous "cultural icons" in the world. Not only does the First Amendment protect that expressive, noncommercial speech, but both the Ninth Circuit and District Court determined that the title of the song was not misleading and that consumers would not be confused. In so doing, both Courts followed established precedent. Respondents respectfully ask that the petition for a writ of *certiorari* be denied.

Respectfully submitted,

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No. 02-633

IN THE

Supreme Court of the United States

MATTEL, INC.,

Petitioner,

v.

MCA RECORDS, INC., ET AL.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

REPLY BRIEF FOR THE PETITIONER

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Mattel's central claim is that the way MCA *marketed* sound recordings of or including the song "Barbie Girl" infringed and diluted the BARBIE trademark. MCA, like the Ninth Circuit, attempts to shift the focus away from marketing and toward the use of the BARBIE mark within the body of the song itself—a use that Mattel does not challenge. It cannot, however, reconcile the categorical exclusions from liability created by the decision below with the Lanham Act, with other decisions, or with trademark law's fundamental purpose of preventing consumer confusion.

1. MCA argues that the Ninth Circuit did not "deviate[] from precedent" in this case, but simply applied a test articulated by the Second Circuit in *Rogers* v. *Grimaldi*, 875 F.2d 944 (1989). Br. in Opp. 1; *see id.* at 2-8. That test asks whether unauthorized use of a protected mark in the title of an expressive work is relevant to the body of the work, and not "explicitly misleading" as to source or content. But as the petition points out (at 9-10, 11), the Second Circuit has made clear that the *Rogers* inquiry supplements, but *does not supplant*, the usual likelihood-of-confusion inquiry under the Lanham Act. That inquiry is required by the Act itself, and is necessary to serve trademark law's central purpose of protecting consumers from misleading marketing. *See, e.g.*, 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A) (prohibiting use of marks "likely to cause confusion, or to cause mistake, or to deceive" as to source or sponsorship of goods); *Rogers*, 875 F.2d at 997-98 ("The purchaser of a book, like the purchaser of a can of peas, has a right not to be misled as to the source of the product.").

The Ninth Circuit erred—and "deviated from precedent"—by holding that in cases involving the titles of expressive works a simplistic application of the *Rogers* test exhausts the analysis, completely pretermitting consideration of the standard likelihood-of-confusion factors. *See* Pet. App. 4a-5a, 8a. Titles have long been recognized as themselves potentially serving the commercial, source-identifying function of trademarks. *See, e.g., EMI Catalogue P'ship* v. *Hill,*

Holliday, Connors, Cosmopulos Inc., 228 F.3d 56, 63 (2d Cir. 2000) ("The title of a song certainly may fulfill the source- or product-identifying function of a mark."); *Gannert* v. *Rupert*, 127 F. 962 (2d Cir. 1904). Titles that incorporate another party's trademark thus pose an obvious risk of consumer confusion—an outcome that the First Amendment leaves room for trademark law to prevent.

The risk of confusion involved in any given case cannot, however, be evaluated without considering factors such as how the title is used in marketing the work, and to what type of consumers the marketing is directed. Indeed, *Rogers* itself recognized the potential source-identifying function of titles, and considered the plaintiff's arguments that, in context, a challenged film title would mislead consumers as to source or sponsorship. *See* 875 F.2d at 997-98, 1000-01. Yet the decision below truncates the analysis if a court finds that a title is not "explicitly" misleading. That approach cannot be reconciled with the Second Circuit's own cases applying *Rogers*. *Compare* Pet. App. 8a *and* Br. in Opp. 3 ("Significantly, the Second Circuit in *Rogers* did not apply the likelihood of confusion factors ....") *with Twin Peaks Prods., Inc.* v. *Publications Int'l, Ltd.*, 996 F.2d 1366, 1379 (2d Cir. 1993) (remanding because "the District Court did not apply the [likelihood-of-confusion] factors individually or determine whether the likelihood of confusion was so great as to overcome the presumption of *Rogers*"); *see also Cliffs Notes, Inc.* v. *Bantam Doubleday Dell Publishing Group*, 886 F.2d 490, 495-97 (2d Cir. 1989) ("apply[ing] the *Rogers* approach" through contextual analysis, including consideration of how and to whom the challenged parody was marketed).[1]

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[1] Not surprisingly, the decision below also departs sharply from the Ninth Circuit's own previous approach to similar claims. *See Dr. Seuss Enters., L.P.* v. *Penguin Books USA, Inc.*, 109 F.3d 1394, 1403-06 & n.11 (9th Cir. 1997) (sustaining preliminary injunction against distribution of book, first considering likelihood-of-confusion factors, including title, as

2. MCA seeks to distinguish conflicting cases on the ground that they did not involve parodic works, or involved use of a trademark "to parody something unrelated to it." Br. in Opp. 8. Even MCA concedes (*id.* at 8 n.4), however, that *Nike, Inc.* v. *"Just Did It" Enterprises*, 6 F.3d 1225 (7th Cir. 1993), cannot be distinguished on those grounds. And there is no shortage of cases holding, like *Nike*, that parodies using trademarks "do not enjoy a dispensation from the [likelihood-of-confusion] standard"—even when what is parodied is the trademark itself. *Nike*, 6 F.3d at 1228; *see also, e.g.*, *Jordache Enters.* v. *Hogg Wyld, Ltd.*, 828 F.2d 1482 (10th Cir. 1987) (applying traditional analysis to parody of trademark); 5 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 31:153, at 31-251 (4th ed. 1996) ("[T]he cry of 'parody!' does not magically fend off otherwise legitimate claims of trademark infringement . . . ."). Indeed, one of MCA's own cases, *Lyons Partnership* v. *Giannoulas*, 179 F.3d 384, 389 (5th Cir. 1999), involved a parody of a trademark, and expressly observes that parodic use is merely "an additional factor that should be considered" along with other likelihood-of-confusion factors.

In any event, the test adopted by the Ninth Circuit is not limited to parodies, but encompasses any expressive work. *See* Pet. App. 6a-8a. There is accordingly no way for MCA to distinguish *Westchester Media* v. *PRL USA Holdings, Inc.*, 214 F.3d 658 (5th Cir. 2000)—which may be why the brief in opposition does not even cite that case. As the petition explains (at 12), in *Westchester Media* the Fifth Circuit considered use of the title "POLO" for a magazine. Treating the magazine as a literary work and applying what it understood to be the Second Circuit's approach in *Rogers* and *Twin Peaks*, the court reviewed and upheld the district court's factual findings on the standard likelihood-of-confusion factors.

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the "basic test" for infringement, and rejecting proffered categorical defenses based on expressive or parodic nature of work).

214 F.3d at 664-67.[2] Recognizing the defendant's "First Amendment interest in choosing a title for its magazine," the court required a "particularly compelling likelihood of confusion"—and upheld the finding that the plaintiff had satisfied that standard at trial. *Id.* at 667-68. Neither that approach nor that outcome can be squared with the decision below.

3. MCA ultimately acknowledges (Br. in Opp. 9-10) that Mattel's infringement claim is based on MCA's marketing, not on Aqua's use of the BARBIE trademark within the body of its song. MCA offers only two responses: That the "right to title [the song] *Barbie Girl*" carried with it an absolute right to "use that title when promoting the song" (*id.* at 9), and that the *district* court ruled against Mattel on the likelihood-of-confusion issue (*id.* at 10). The first point is inaccurate. As we have explained, whether unauthorized use of a trademark in a title amounts to infringement depends on the full context of the use, including associated marketing, and whether *in that context* the use is likely to mislead relevant groups of consumers. The second point begs the question Mattel sought to present on appeal: Whether the district court erred in resolving the likelihood-of-confusion issue itself, rather than allowing Mattel to present its evidence to a jury. The Ninth Circuit never reached that question, because it fashioned and applied the far more sweeping legal rule that Mattel challenges in this Court.[3]

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[2] In light of *Twin Peaks*, the Fifth Circuit understood *Rogers*' "explicitly misleads" standard to require a full contextual inquiry based on "the [same] likelihood of confusion test used in evaluating standard trademark infringement claims." 214 F.3d at 664-65. That understanding is incompatible with the Ninth Circuit's holding (Pet. App. 8a) that, as a matter of law, the "Barbie Girl" title "does not explicidy mislead as to the source of the work" because "[t]he only indication that Mattel might be associated with the song is the use of [Mattel's trademark] in the title."

[3] MCA's suggestion (Br. in Opp. 10) that Mattel did not present a "marketing" issue on appeal is inaccurate. *See, e.g.*, Pet. C.A. Opening Br. 29 (summarizing argument that MCA "commercially exploit[ed]" the

4. As is evident, MCA's argument that Mattel "advocates abandoning the traditional approach courts have applied in trademark cases that involve literary titles or parody" (Br. in Opp. at 3) in favor of some "rigidly applied" test gets matters backwards. The Lanham Act requires courts to consider whether unauthorized uses of marks are "likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. §§ 1114(1)(a), 1125(a)(1)(A). Every Circuit has adopted a flexible, multi-factored, fact-based analysis to implement that statutory standard. *See* Pet. 7-8. Other circuits continue to apply that context-sensitive analysis in cases involving the titling and marketing of expressive works. *See, e.g.*, *Westchester Media*, 214 F.3d at 664-65; *Twin Peaks*, 996 F.2d at 1379-80. It is the Ninth Circuit that has now replaced flexibility and attention to context with a "rigid" legal "test." *See* Br. in Opp. 7-8; Pet. App. 8a (summarily applying test).

As framed and applied by the court below, that test would preclude an infringement challenge to almost any use of a trademark in a title, no matter how egregious the surrounding circumstances. Here, the court held that the title "Barbie Girl," considered by itself, was not "explicitly" misleading, and therefore was immune from challenge, because "[t]he only indication that Mattel might be associated with the song is the use of Barbie in the title." Pet. App. 8a. On that reasoning, there presumably could have been no relief even if MCA had *admitted* that it chose the title "Barbie Girl," and designed its marketing strategy, with the specific intent to mislead consumers into believing that MCA's CDs were authorized and endorsed by Mattel. Likewise, a series of non-parodic storybooks entitled "Adventures of Barbie and Ken," expressly marketed to children, would apparently be immune from challenge. *Compare Westchester Media*,

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BARBIE mark on music products "*designed and marketed to confuse their young, female target audience* into believing that defendants' products are sponsored or licensed by Mattel" (emphasis in original)).

214 F.3d at 668 (upholding finding of infringement based in part on evidence of defendant's "intent to trade on [plaintiff's] goodwill and reputation"); *San Francisco Arts & Athletics, Inc.* v. *United States Olympic Committee*, 483 U.S. 522, 541 (1987) ("The mere fact that the [defendant] claims an expressive, as opposed to a purely commercial, purpose does not give it a First Amendment right to appropriate to itself the harvest of those who have sown." (internal quotation marks omitted)). A construction of the Lanham Act that would lead to such results merits review by this Court.

5. With respect to the "noncommercial use" exemption from the Federal Trademark Dilution Act, MCA argues that speech that "does no more than propose a commercial transaction" is the "core" of "commercial speech." Br. in Opp. 10-11. Mattel has never disputed that proposition. Nor, for that matter, need we dispute here that the lyrics of "Barbie Girl," considered in isolation, are "core" *non*commercial speech, both as a constitutional matter and for purposes of the FTDA. *See id.* at 11. But the *marketing* of an expressive work falls into a middle ground between purely "commercial" and purely "noncommercial" speech, and cannot be categorically excluded from challenge under the FTDA.

Claims involving marketing require distinguishing the body of a work from its title. Titles often serve in part a commercial marketing, and source-identifying, function, just as trademarks do for other types of goods. *See* pp. 1-2, *supra*. The way a title incorporating another's trademark is used in marketing a work, or related products, plainly may suggest source or sponsorship or reduce the distinctiveness of the borrowed mark, thus infringing or diluting the mark.

The Ninth Circuit ignored this distinction between a title and the underlying work. Its analysis of the FTDA's "noncommercial use" exemption focuses exclusively on the use of a famous mark within the body of an expressive work, such as in the lyrics of a song, or in a photograph, or in the text of a book or article. *See* Pet. App. 13a-16a. The court's analy-

sis of the separate question of using "Barbie Girl" as a title, and in marketing Aqua and its album, is limited to one cursory sentence at the end of its discussion. *Id.* at 16a ("For precisely the same reasons, use of the mark in the song's title is also exempted."). While the court recognized that "MCA used Barbie's name to sell copies of the song" (*id.* at 15a; *see also id.* at 10a), it failed to recognize that such marketing (and potentially source-identifying) uses are different from uses within the body of a work itself. That failure led the court to its anomalous holding that MCA's use of Mattel's trademark was categorically exempt from liability for dilution—*no matter what the evidence might show* about exactly how MCA exploited the mark for its own commercial gain, or about the effect of such exploitation on the BARBIE mark.

6. MCA argues (Br. in Opp. 11) that if it was permissible for Aqua to use Mattel's mark in the lyrics of its song, then MCA "necessarily can (in fact, must) refer to the title of its parody when it promotes the song." Under Mattel's construction of the FTDA, MCA contends, "parody [or any other expressive work] would lose constitutional protection once the parodist tried to sell the parody." *Id.* at 11-12. These arguments are unpersuasive. *See* p. 4, *supra.*

Selling copies of an expressive work does not transform the work into "commercial speech." Br. in Opp. 12. But it does not follow that the marketing of such a work—including the choice of its title—is immune from regulation. The content of a marketing campaign *is* "commercial speech," in a perfectly conventional sense. There is accordingly no reason to suppose that when Congress enacted the FTDA, it meant the "non-commercial speech" exemption to preclude consideration of the sort of claim Mattel has made against MCA.

That consideration should take due account of First Amendment interests. All speech, commercial or not, is entitled to significant protection. But in this case, Mattel claims that MCA impermissibly diluted the BARBIE trademark by, for example, using a title and designing a marketing strategy

that were specifically intended to exploit Mattel's image and reputation with Mattel's own customers. *See* Pet. 3-4 (describing marketing efforts); *cf.* 15 U.S.C. § 1125(c)(2) (permitting damages in dilution actions if the defendant "willfully intended to trade on the [trademark] owner's reputation"). Those marketing efforts, moreover, related to selling not only the "Barbie Girl" song itself, but also, for example, the Aquarium album—a product as to which MCA had ample promotional alternatives to trading on the BARBIE name. Yet the Ninth Circuit refused even to *consider* Mattel's dilution claim. *See* Pet. App. 15a-16a. That sweeping contraction of the FTDA is neither a plausible construction of the Act, nor one required by the Constitution.

7. As the petition explains (at 16-18), the Ninth Circuit's construction of the FTDA is inconsistent with the reasoning of pre-FTDA cases from other circuits interpreting state anti-dilution law—cases of the sort Congress looked to when it fashioned the federal Act. *See* Pet. 16 (citing H.R. Rep. No. 104-374, at 8). As to *L.L. Bean, Inc.* v. *Drake Publishers, Inc.*, 811 F.2d 26 (1st Cir. 1987), MCA argues that "MCA merely sold the song embodying the parody, just as the defendant in *L.L. Bean* sold the magazine containing the parody." Br. in Opp. 13. But the *L.L. Bean* court reasoned in part that the parody including the plaintiff's trademark was tucked into a 100-page magazine, without any reference on the front or back cover. *See* Pet. 16. Thus, the defendant "did not use Bean's mark to identify or promote [its own] goods or services to consumers." 811 F.2d at 32. MCA says nothing to refute our point that under that analysis, a case involving the facts alleged here would have been entitled to full consideration on the merits—not dismissal on the theory that the challenged marketing uses were "noncommercial."

As to *Anheuser-Busch, Inc.* v. *Balducci Publications*, 28 F.3d 769 (8th Cir. 1994), MCA recites some of the facts of the case and declares them "starkly different" from those at issue here. Br. in Opp. 13-14. It does not explain why the differences are legally relevant. *Balducci* upheld a dilution

claim against a parody that included the plaintiff's trademarks and was printed on the back cover of the defendant's magazine. *See* 28 F.3d at 777-78. MCA suggests no way in which that claim could have survived dismissal under the categorical standard adopted by the Ninth Circuit in this case.

8. Finally, MCA devotes several pages to purported misstatements or omissions in Mattel's relation of the facts. Br. in Opp. 14-20. But the Ninth Circuit ignored Mattel's argument that there were numerous material factual issues, and resolved the case on the basis of new legal rules, essentially independent of factual context. Because the petition seeks review of those legal holdings, it is irrelevant that the parties continue to disagree about the evidence in the summary judgment record. In any event, on summary judgment the facts must be viewed in the light most favorable to Mattel. *See, e.g.*, *Anderson* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). For these reasons we resist the temptation to offer any point-by-point rebuttal of MCA's factual assertions, and content ourselves with a few representative rejoinders.

- As to the supposed lack of BARBIE music products (Br. in Opp. 14-15), for many years Mattel has produced and licensed music products such as vinyl records, audio and video cassettes, CDs, or CD-ROMs incorporating the BARBIE trademark in the title and featuring the vocals of a singer playing the role of the BARBIE doll. *See* Pet. 2-3; ER 95-97; 148-192; 1242-1247; 1255-1256. In September 1997, when this suit was filed, Mattel had music products on sale (ER 1242-43); its 1998 product line was slated to include BARBIE AND THE GLOW GIRLS, a BARBIE musical group featuring a music cassette (ER 1246-1247); and it was in negotiations with a division of Sony Music that led to an April 1998 agreement to market a series of BARBIE music products in cassette and CD formats (ER 1748-1765).

- With respect to Mattel's consumer survey, MCA notes that when asked to name what company actually "put[] out" the "Barbie Girl" video and CD, only 4% of those sur-

veyed named Mattel. Br. in Opp. 19. It fails to mention, however, that 39% of respondents thought the company that owned the BARBIE doll brand had given its permission to use the BARBIE name. ER 847, 1049. Among 10-13 year old girls that percentage was 41%; and among 6-9 year old girls, it was 51%. ER 1049. *Compare, e.g., Exxon Corp.* v. *Texas Motor Exch.*, 628 F.2d 500, 507 (5th Cir. 1980) (survey showing 15% of respondents associated defendant's use with plaintiff's mark, and 23% associated it with relevant lines of business, was "strong evidence indicating a likelihood of confusion"); *Mutual of Omaha Ins. Co.* v. *Novak*, 836 F.2d 397, 400 (8th Cir. 1987) (giving "substantial weight" to survey showing 10% of respondents thought trademark owner had "go[ne] along" with infringing product).

- The numerous emails Mattel received cannot be dismissed as "ambiguous." Br. in Opp. 18. They included messages such as: "I just love the new Barbie song! Can you send it to me?" (ER 1621); "Do you have music on this homepage? I would like to listen to some Barbie songs on here, including the new Barbie song." (ER 1626); and "Barbies's [sic] are pretty. When the Barbie song comes on I like to take Ken and Barbie out and make them dance." (ER 1632 (capitalization altered)). Whether the emails, together with the other evidence, were sufficient to show a likelihood of confusion was properly a matter for the jury.

In any event, this Court need not concern itself with these factual disputes. The Ninth Circuit reached its judgment as a matter of law. If this Court reverses that judgment, the court of appeals can return to the question that it should have addressed in the first place: Whether the parties' disputes of fact should have precluded summary judgment.

CONCLUSION

For the foregoing reasons and those set forth in the petition, the petition for a writ of certiorari should be granted.

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